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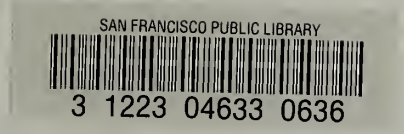

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MINUTES OF THE MEETING OF THE SAN FRANCISCO PORT COMMISSION JANUARY 8, 1986

The Port Commission of the City and County of San Francisco met in regular session at 3100 Ferry Building in the City of San Francisco at 10:05 A.M., Wednesday, January 8, 1986.

President Coleman called the meeting to order and declared a quorum present as follows:

PRESENT: Dr. Arthur H. Coleman
James J. Rudden
Anne Halsted
James R. Herman
Gordon Lau

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ABSENT: None

Also present were Eugene L. Gartland, Jack Conrad, Arthur Osborne, Ronald Stone, Angela Karikas, Lisa Clay, D. Schimke, Vello Kiisk.

APPROVAL OF MINUTES

The minutes of the meeting of December 11, 1985 were approved by motion of Commissioner Rudden, seconded by Commissioner Lau, passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

The Commission was advised of a new agreement with the National Shipping Company of the Philippines whick will be moving its offices to space adjacent to the North Terminal, Pier 80, which should be advantageous to the Port having the management of the company in San Francisco. In addition, Evergreen Lines has advised the Port of a joint service with Japan Line commencing in early spring of this year, which will bring Japan Line to San Francisco. The Chinese province of QuongDong will lease about 30,000 square feet of space in the bulkhead at Pier 24 which will be used for display purposes and depending on the success of this test area, will be expanded rapidly. The Director next advised the Commission of the completion of the Fisherman's Wharf breakwater on schedule on December 18, 1986. Mr. Gartland informed the Commission the Board of Supervisors has requested the Port respond to questions on a proposed film studio at Piers 15 and 17. He indicated he would be present to state the position of the Commission re this proposal and study.

Discussion ensued. Commissioner Halsted asked Mr. Gartland to restate what the position was at the time of the study since she was not a member of the Commission at that time. Mr. Gartland replied stating the Port Commission decided not to declare the piers surplus to maritime, indicating the property is under lease to a maritime user until 1987. Further, the film study was done at a time when much of Port property was vacant and not being used, which is no loner the case.

Dr. Coleman interjected with the statement that it had been erroneously stated that this Commission had approved the film study, while the reality was the Commission simply received the report, but did not approve same. Mr. Gartland also mentioned a possible conflict with unions, taking the property out of maritime use thereby depriving maritime workers of jobs, and replacing with other union jobs.

4. FINANCE & ADMINISTRATION

Mr. Conrad submitted the Statement of Revenue and Expenditures through September 1985 - explaining under this format once a contract is entered into, the total amount of this contract becomes encumbered which gives a false picture since all of these moneys are not expended immediately. Commission preferred to keep the same format.

Commissioner Halsted inquired why the vacant positions in the Accounting Department have not been filled. The Port Director indicated a paucity of qualified applicants as the problem. Commissioner Halsted offered her assistance.

b) Mr. Conrad next requested approval of personnel transactions for December which included three temporary non-civil service appointments and no separations.

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Lau, to approve Res. No. 86-3 unanimously which resolution will be used for the calendar year 1986 for all Non-Civil Service and Temporary Appointments.

c) The Commission was asked to approve the modification of the contract with Associated Asian CPA Firms in the amount of $5,960 for an additional 149 hours which were required to ensure proper auditing.

ACTION: It was so moved by Commissioner Halsted, seconded by Commissioner Rudden, to pass Resolution No. 86-7. Commissioner Lau abstained from voting due to a conflict. Final vote was four ayes, with one abstention.

d) Proposed budget for fiscal year 1986-87 was submitted to the Commission; staff was complimented both by Commissioner Halsted and President Coleman for an excellent piece of work, particularly regarding the MBO's concerning Fisherman's Wharf.

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The Assistant City Attorney, Mr. Ed Johnson, asked to address the matter of the proposed reduction in the amount budgeted for City Attorney's office in the Port budget for 1986-87. Mr. Johnson indicated that since a lawsuit of serious magnitude has recently been undertaken on the Port's behalf, he contended that more, not less funding would be required for the coming year. President Coleman responded that should additional funds be required, supplementary funding could always be requested. Johnson urged the Commission to retail the present funding level rather than reducing it.

Commissioner Lau requested a detailed chronology in the matter of SWL 321 from Deputy City Attorney Schwartz and Ms. Karikas agreed to contact Mr. Schwartz for this material. Commissioner Lau also requested this matter be calendared for executive session at the next Commission meeting.

The Commission will vote on approving the budget for 1986-87 at the next Commission meeting.

COMMERCIAL PROPERTY

e) Ms. Schimke requested approval of License Nos. 11027-49-50-51-52-53-54 indicating all were of a routine nature.

ACTION: Commissioner Herman moved passage of Resolution No. 86-1 approving licenses as enumerated, to be inclusive for fiscal year 1986, seconded by Commissioner Halsted, passed unanimously.

f) The next matter under this category was a request to add approximately 3,700 square feet of space to the World Trade Club under Lease L-8562. This is space vacated by California Canners & Growers and the World Trade Club is exercising its first right of refusal. City Attorney advises that Port is bound to offer this under the World Trade lease.

ACTION: It was therefore moved by Commissioner Lau, seconded by Commissioner Rudden, and unanimously approved Resolution No. 86-4.

g) Commission was next asked to approve an assignment by Pier 33, Inc. of security interest to Barclay's Bank of Calfiornia. Since this is a part of a lease previously approved by Port, and is in compliance with the lease, Commission took the following action.

ACTION: It was moved by Commissioner Herman, seconded by Commissioner Halsted, approving Resolution No. 86-5 unanimously.

h) The matter of assignment of an existing sublease between Alioto's and Carnation Restuarant from Carnation to Gary Mayes and Vantage Restaurants, Inc. was next submitted for approval to the Commission. This matter was a continuation from the previous meeting. Tenant Alioto and subtenant Carnation are requested Port's consent to assiging Carnation's sublease of 1973 to Vantage Restaurants (Gary Mayes) contemplating no changes other than deletion of the name "Carnation" and an upgrade of the "product". Commissioner Herman asked that a summary

history he was presenting be read into the record. (Document was read and is attached hereto and made part of these minutes.) Following this Frank Alioto, president of Alioto's, asserting that innuendoes were being leveled against him and his tenancy, took the floor to answwer these "charges". President Coleman gaveled the meeting to order, assuring Mr. Alioto he would have "ample time to address the issues" following Commissioner Herman's presentation.

Commissioner Herman then posed a number of questions regarding the cost of the original lease from Exposition Fish Grotto, how much Alioto Fish Company originally invested in the rehabilitation of the premises, whether Carnation paid any additional monies to Alioto for the sublease above what Alioto pays to the Port. Discussion followed regarding a second sublease to Boudin Bakery for which a written form of approval document had not yet been located. The City Attorney stated the original lease provided that "written consent of the Port Commission must be approved" but it did not specify whether this exact document was required because the minutes reflected a motion approving the sublease. Discussion deteriorated after this point, with President Coleman again gaveling for order. Mr. Alioto alleged a "personal vendetta" by Commissioner Herman, defending his position as a long-time responsible tenant. It was Commissioner Herman's contention that it was incumbent upon his position as a Port Commissioner to "seize an opportunity to provide the people of the City and County of San Francisco greater benefits", but that he had no emotional involvement against any tenant.

Mr. Mayes and his attorney, Mr. Melberg, were asked to respond to questions regarding any proposed changes for the Carnation site and leasehold uses. Mayes stated no physical changes were contemplated other than deletion of the name "Carnation"and an "upgrading of the product".

Commissioner Halsted inquired if the same general conditions prevailed on other subleases and asked for a report from Ms. Schimke. Commissioner Lau commented that in his opinion if the Commission were looking at a sublease today, it would not allow someone to pay us 5% and sublease at 10% such as in this situation, but that this is a 12-year old lease and therefore we must only look to the financial responsibility of the new sublessee and his ability to fulfill the sublease. Mr. Herman responded it was not his intention to withhold approval capriciously but rather to examine at length and give full disclosure to the proceedings, thereby opening up the possibility of "sitting down with the principals to amend the lease for the betterment of the people of San Francisco".

Mr. Melberg asked permission to address the Commission on his client's critical need for approval from the Commission at this time, emphasizing that without this approval Vantage and Mayes would have no deal with Nestle's Carnation. He also stressed the "human factor" saying over 200 employees of Carnation had been given notice of the impending change in October, insisting it was unfair to continue such uncertainty for these people. Commissioner Herman asked if all the employees would be given priority hiring under the new management and was informed by

Mayes that all would certainly be interviewed and given the opportunity to continue employment. Mayes said, "Without Port's approval of the sublease today, both he and Vantage stood to lose substantial finances in putting this transaction together. Further, the Commission was urged to consider all these facts and grant approval to this assignment today.

The Executive Director asked in view of the very substantive questions posed by Commissioner Herman that the Commission go into executive session. President Coleman agreed and the Commission withdrew to executive session for purposes of discussing this issue.

Following this session, Commission meeting was reconvened with the following action taking place.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Lau, to approve the approve the assignment under Resolution No. 86-6. Commissioners Halsted, Coleman, Lau, and Rudden voted affirmatively; Commissioner Herman voted no.

5. PLANNING & RESEARCH

Randy Rossi presented a request for authorization to apply to the California Coastal Conservancy for funding for planning studies for waterfront projects. Discussion followed with regard to detailing and prioritization. Rossi was instructed to come back to the Commission with a final listing prior to going to the Board of Supervisors or any other agency. Pat Flanagan, presidnet of Standard Fisheries, and Charlene Clark, of San Francisco Tomorrow, spoke in support of the application and expressed a desire to actively participate in determining projects to be included.

ACTION: It was moved by Commissioner Lau, seconded by Commissioner Rudden, and passed unanimously to approve Resolution No. 86-8.

6. MARITIME

a) Approval of a contract for consulting services for InterModal Container Transfer Facility development, marketing and rail services with the firm of Triumph Marketing in the amount of $60,000.00 was requested by Ronald Stone. Discussion followed in which Commissioner Lau complimented the firm on the excellency of their work during the previous years.

ACTION: It was moved by Commissioner Lau, seconded by Commissioner Halsted, and passed unanimously to approve Resolution No. 86-9.

BRIEFING PAPER RE CARNATION & BOUDIN BAKERY
(tenants of Alioto Fish Co.)

Port records are not complete regarding this matter. What follows is a summary of what has transpired regarding the lease for the property located on SWL 301 which is identified as 160 Jefferson Street. The current tenants, operating under subleases from Alioto Fish Co. Ltd., are Carnation Ice Cream Restaurant and the Boudin Bakery. These are two separate operations:

May 20, ~~1965~~ 1970 Port Commission entered into a 66 year lease for the subject property, effective May 1, 1970, with Exposition Fish Grotto, Inc. The principal of Exposition Fish Grotto, Inc. was Mr. Silvio F. Oliva. The lease was for 14,122 sq.ft. which included an existing building. Minimum monthly rent was $2,312.89 with a CPI adjustment every five years. Percentage rent of gross sales of 5% for food and 6 1/2% of all other, offset against minimum, was also a condition of the lease. Use was to conduct a restaurant of a kind and class presently on the premises.

Within two years after the lease agreement Mr. Oliva died. Apparently there was somewhat of a controversy concerning the assignment of the lease. Allegedly, Mr. Warren Simmons made an offer on the property with the intent to establish a Tia Maria restaurant. The Fisherman's Wharf area tenants apparently desired to keep the restaurant fish oriented in order to maintain the fishing industry atmosphere at the Wharf and objected to Mr. Simmons proposal and the assignment of the lease to him.

Sept. 25, 1970 Amendment to the lease which added a paragraph regarding mineral reservation.

Oct. 2, 1972 Port Commission approved the assignment of the leases to Alioto Fish Co. Ltd. Included in the assignment was a license for the adjacent parking lot. No terms or conditions of the lease were changed. Records do not indicate what amount, if anything, Alioto Fish Co. Ltd. paid to Exposition Fish Groto for the lease assignment.

Dec. 12, 1973 A sublease, dated November 12, 1973 and effective July 1, 1974, between Alioto Fish Co. Ltd. and Carnation Company was approved by the Port Commission. The sublease was for 5,200 sq.ft. for a monthly rental of $2,500 versus 10% of all gross sales. The sublease was for 15 years with four options of 5, 1, 5 and 5 years. Use of the premises only to be as a Carnation Ice Cream Restaurant, which was a use change from the original restaurant lease.

Alioto Fish Co. Ltd. was required to furnish the premises with the following improvements:

- four walls
- floor and ceiling in a structurally complete, finished and developed state on the inside and outside
- plumbing and electrical hookups

Carnation was responsible for all other costs to set up their operation.

Apparently the building which had housed the Exposition Fish Grotto went through a rehab but Port records do not indicate the timing or cost of the rehab done by Alioto Fish Co. Ltd.

Feb. 8, 1974 — Amendment to sublease detailing various administrative procedures.

Feb. 27, 1974 — Amendment to the restaurant lease, signed by the Port Director, Miriam Wolff, which increased the leased premises by 5,368 sq.ft. to a total of 19,940 sq.ft. No cost consideration. In addition, the agreed base year guarantee was reduced from $65,862.10 to $3,792.96. No justification shown. In fact, there is nothing in the Port's records that previously referred to a "base year guarantee".

All references to Boudin Bakery indicate that Boudin Bakery is a sub-tenant of Alioto Fish Co. Ltd. who occupy that portion of the building not utilized by Carnation. However, the Port records do not contain a copy of such an agreement if one does exist. Port records do not indicate that the Port Commission ever approved a sub-lease between Alioto Fish Co. Ltd. and Boudin Bakery nor do they indicate who are the principals of Boudin Bakery.

The monthly gross sales reports received from Alioto Fish Co. Ltd. for the property does not break down the sales between Carnation and Boudin Bakery. There were no sales reported for the fiscal year July 1, 1973 to June 30, 1974. Considering the entering into the sub-lease with Carnation and the required construction that had to be done, it is possible that the operation was closed for the period. Starting with the fiscal year July 1, 1974 and ending with the fiscal year June 30, 1985, the Port has the yearly sales records except for the fiscal year 1976/77. Unable to determine why that year is missing.

For the ten years of sales report that are presently on file, the total sales are in excess of $20.3 million for both sub-tenants. Based on the 10% of sales that the sub-tenant pay Alioto Fish Co. Ltd. (assuming Boudin is also paying 10%), the rent received by Alioto Fish Co. Ltd. would have exceeded $2,032,000. During the same period Alioto Fish Co has submitted to the Port $1,041,000 in rent. Thus Alioto Fish Co. Ltd.

has received $991,000 more in rent than they paid to the Port. Some return on their investment for the purchase of the lease and construction cost to rehab the building could be justified. In order to determine if the return has been equitable or not, one would need to know the total amount of the investment.

From audited financials, it appears that Carnation generates approximately 56% of the total sales.

The current proposal before the Commission is to transfer the sub-lease between Alioto Fish Co. Ltd. and Carnation to Mr. Mayes and then to Vantage Restaurants. Vantage Restaurant consists of 75% holdings by Mr. Mayes and 25% holdings by Alioto Fish Co. No information has been revealed which states what Mr. Mayes is to pay Carnation or what Alioto Fish Co. paid Vantage Restaurant for its 25% holding. Both Mr. Mayes financial statement and that of Vantage Restaurant show substantial assets.

Can the Commission withhold approval based on a justified reason? There seems to be two areas that could be a basis for a challenge.

1. The prior approval of the Carnation sub-lease states the use as "only as a Carnation Ice Cream Restaurant". The documents submitted claim that the restaurant will be upgraded and operate under a different name, which is a requirement imposed by the Carnation Company. This, technically, changes the use and thus one could agree that the terms and conditions of the lease have been changed, and the Port has the right to renegotiate the terms of the master lease.

2. If a sub-lease does exist between Alioto Fish Co. Ltd. and Boudin Bakery, and it hasn't been approved by the Commission (Port records don't indicate such an approval was given), then Alioto Fish Co. Ltd. would technically be in default of the lease which could raise the possibility of renegotiating the terms and conditions of the master lease between the Port and Alioto Fish Co. Ltd.

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MINUTES OF THE MEETING OF THE SAN FRANCISCO PORT COMMISSION JANUARY 22, 1986

The Port Commission of the City and County of San Francisco met in regular session at 3100 Ferry Building in the City of San Francisco at 10:10 A.M. Wednesday, January 22, 1986.

President Coleman called the meeting to order and declared a quorum present as follows:

PRESENT: Dr. Arthur H. Coleman
James J. Rudden
Gordon Lau
Anne Halsted

ABSENT: James R. Herman

Also present were E.L. Gartland, Jack Conrad, Ron Stone, Arthur Osborne, Angela Karikas, Lisa Clay, D. Schimke, Vello Kiisk.

APPROVAL OF MINUTES

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Lau, and passed unanimously to approve the minutes of the meeting of January 8, 1986.

EXECUTIVE DIRECTOR'S REPORT

The Director asked that the following items be removed from the day's agenda - under Commercial Property Item 4d; Planning Items 5b and 5c; Maritime - Item 6. Mr. Gartland called on Dr. Rossi to explain the postponement of the planning items who indicated the needed funding had not yet been obtained, therefore it would be premature for any application to be made by us or for us to solicit proposals for the planning and environmental study under this application.

Mr. John Kirby-Miller, representing the Chamber of Commerce, spoke to the issue, reiterating that they were not prepared to address the matter until all donations had been received and also emphasized he was working with community groups to enlist full cooperation from all factions.

The Commission postponed the matter until the next meeting in February.

The Director stated the third draft of the package for Pier 45 has been disseminated for review - and that he was hopeful that at the next meeting the Commission would be asked to approve a package for advertising.

Mr. Tom Locke, of CalStar, spoke to the Commission as requested by the Executive Director, and presented a report on the number of emergency and crisis situations which had been handled over the past year of operation. Dr. Coleman expressed his admiration for the accomplishments of CalStar. Mr. Locke in turn thanked the Commission for its support and permission to operate this vital medical helicopter service.

FINANCE & ADMINISTRATION

4a) Mr. Conrad asked the Commission's approval of refunds and allowances in the amount of $271,012.

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Halsted, and passed unanimously to approve this amount.

A report on sales and rentals was next submitted, and discussion followed on the increase in these areas. The next report was the Status of Accounts Receivable showing a decrease in two areas, which Mr. Conrad indicated could be attributable to the diligence of both the legal department and the collection department. The president concurred with this assessment, indicating he was very pleased with the way legal was moving ahead with disposition of these cases.

b) Mr. Conrad submitted an adjusted MBO for two departments - engineering and finance and administration (data processing)with an explanation. Conrad then asked if the Commission had questions of him regarding the budget. Dr. Coleman asked for a motion to approve the budget.

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Halsted, and passed unanimously.

COMMERCIAL PROPERTY

c) Ms. Schimke presented five routine licenses for approval; the Director suggested deleting License No. 11055 since the Province of QuongDong communicated its desire for a one-year lease of this property in lieu of a 30-day license. It was therefore decided this license would be deleted.

ACTION: The motion was made, seconded and carried to approve all other licenses as specified.

PLANNING & RESEARCH

5a) Dr. Rossi, in response to Commission's directive of the last meeting, submitted a prioritized list, in two categories, of projects recommended by staff for submission to Coastal Conservancy. Discussion followed regarding the list. It was the decision to delete priority enumeration but append the list to Resolution No. 86-8 for forwarding to the Board of Supervisors.

ENGINEERING

7a) Capt. Osborne requested Commission to approve the acceptance and final payment to Jeffco Painting and Coating Inc. for the total contract payment.

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Halsted, passed unanimously to approve Resolution No. 85-15.

Commission withdrew to executive session for the purpose of discussing Clark v. City and County of San Francisco, Superior Court No. 804-944; CCSF v. Seawall Lot 321, Superior Court Nos. 538-448 and 538-455. The Commission reconvened at 11:25 A.M. City Attorney advised the Commission approved the settlement of the matter of Clark v. CCSF; Superior Ct. 804-944, in the amount of $7,500; no action was taken after discussion in the matter of CCSF v. SWL 321; discussion was held in the matter of Mission Creek Houseboat Association. Staff was directed to provide more information in this matter.

There being no further business, the President declared the meeting over by unanimous consent.

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MINUTES OF THE MEETING OF THE SAN FRANCISCO PORT COMMISSION FEBRUARY 26, 1986

The Port Commission of the City and County of San Francisco in regular session at 10:00 A.M. Wednesday, February 26, 1986 at 3100 Ferry Building, San Francisco.

President Coleman called the meeting to order and declared a quorum present, and introduced Mr. William Chang who will be appointed in the near future to the Commission, and was in attendance today as an observer.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
Anne Halsted, Member

ABSENT: James R. Herman, Member

Also present were Eugene L. Gartland, Executive Director, Ron Stone, Director for Maritime Affairs, Jack Conrad, Finance & Administration Director, Captain Arthur Osborne, Director, Engineering and Maintenance, and other senior staff members.

APPROVAL OF MINUTES

ACTION: The minutes for the meetings of February 11, and 24, 1986 were approved by motion of Commissioner Halsted, seconded by Commissioner Rudden, carried unanimously.

EXECUTIVE DIRECTOR'S REPORT

Mr. Gartland asked that his report be waived in deference to a number of lengthy items on today's agenda; it was agreed to do so by the Commission.

FINANCE AND ADMINISTRATION

4a) Mr. Conrad presented one report - Status of Accounts, commenting the new format had been adopted per Commissioner Halsted's suggestions and if it meets with the Commission's approval, would continue to be utilized in presenting this information. The Commission agreed to its continuance.

COMMERCIAL PROPERTY

b) Commission was asked to approve license nos. 11062-64-65-67-68-70-71 as routine licenses; and this was moved and carried unanimously.

President Coleman inquired what was the vacancy rate of the Port in comparison to the rest of the City; Schimke answered it was a 25% vacancy rate as opposed to a 15% one for the City overall. Discussion followed regarding the possibility of departing from the 30-day license restriction. City Attorney suggested such

discussion should be undertaken in closed session in view of pending litigation.

4c) Ms. Schimke next asked for Commission approval to amend the Victoria Station restaurant lease to allow operation of a valet parking service. Discussion followed on the financial aspects of the matter, followed by the motion to approve.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden and carried unanimously.

5. PLANNING & RESEARCH

a) A request to modify the contract with Bendix Enviornmental Research to delete professional liability insurance and to limit work scope under this contract was presented to the Commission. The EIR work has been completed and the remaining work is limited to drafting some permits, general planning services and consultation.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, carried unanimously.

b) The contract with Joseph E. Petrillo Associations for grant, funding and legislative liaison and representation was presented to the Commission for approval. All certifications were present as well as the work scope and budget.

ACTION: It was therefore moved, seconded and approved unanimously.

c) Commission was next asked to approve the Developer Solicitation (Request for Qualifications) for Pier 45 and Hyde Street Pier.

Dr. Rossi presented this matter to the Commission and informed them of suggested changes made by the Task Force which will be incorporated in the RFQ. (These changes are delineated in the attachment and by reference made a part thereof.)

Following his presentation, the Commission took the following action.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, passed unanimously.

7. ENGINEERING & MAINTENANCE

a) The Commission was requested to approve the award to Ranger Pipelines, Inc. of contract no. 2525 for sewer repair in the Ferry Building area.

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Halsted, and unanimously carried.

b) It was staff's recommendation to the Commission to accept all work of maintenance dredging as complete and authorize final payment under contract no. 2524 to Smith-Rice Company.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, and unanimously approved.

c) The Commission was asked to authorize the Executive Director to proceed with negotiations for purchase of a used container crane for Pier 96.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, carried unanimously.

d) The matter of a contract award for the purchase of two container cranes for Pier 80 was submitted for the Commission's review. The low bidder of five bids received was the firm of Hyundai Heavy Industries Co., Ltd. in the amount of $5,381,832. It was the recommendation to award to Hyundai Heavy Industries Co., Ltd.

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Halsted, and unanimously approved to award this contract under Resolution No. 86-26 to the low bidder, Hyundai Heavy Industries, Co., Ltd.

Mr. Michael R. Moyle, attorney for Marubeni America Corporation, requested permission to speak to this matter, and President Coleman agreed. Mr. Moyle expressed his client's dissatisfaction and objection to the Commission's award to Hyundai. Marubeni questioned the validity of this firm's experience as required in the bid specifications.

It was suggested the Commission recess for an executive session to discuss this matter, and following this discussion, the meeting reconvened. It was the decision to abide by the original recommendation and to award the contract to Hyundai Heavy Industries Co., Ltd.

The meeting was adjourned at 11:00 a.m. by unanimous vote.

SUMMARY OF REVISIONS

to

SECOND DRAFT RFQ FOR PIER 45 / HYDE ST. PIER

page i, last line	Substitute "issuance of the Request for Proposals (RFP)" for "determination of 'short list'".
page 1, P 3	Add "2.5 to 4 acre" prior to "Hyde Street Pier".
page 1, P 3	Add detailed description of the facilities and services to be built as part of Hyde St. Pier.
page 1, last line	Add "for Pier 45" after "prepaid lease".
page 6, last P	Add new paragraph advising developers of nature of Fisherman's Wharf area relative to congestion and existing uses.
page 7, P 3	Add "and that it be limited to 500 rooms" at end of second sentence.
page 7, P 4	Add new paragraph about the Pier 45 Task Force and referring developers to the full text of the report included in the package but not adopted by the Port Commission.
page 8, P 2	Delete entire paragraph as redundant.
page 8, Program	Add "Maritime-related" before "Office".
page 8, Maximum	Add "*" following EIR and add footnote "* See Task Force Report".
page 9, No. 2)	Add at end of paragraph "(Also see open space guidelines recommended by the Pier 45 Task Force.)"
page 10, last P	Add new language making it clear that the Port is not seeking development per se, of the triangular parcel bounded by Jefferson St., Taylor and the Embarcadero, but rather consideration of this parcel in the parking and access solutions for Pier 45. Also add language requested by the Department of City Planning about the requirement for a plaza on the easternmost 120 feet of area.

page 13	Add language explaining that at the proposal stage the Port will supply information on the design parameters and estimated cost of Hyde St. Pier.
page 15	Add: "The State Lands Commission and Bay Conservation and Development Commission have jurisdiction over the projects for compliance with the public trust use of State Lands, and minimizing Bay fill (McAteer-Petris Act), respectively. A final determination/approval by these agencies is dependent on review of final detailed plans and the Port's acceptance of a developer's proposal is subject to review by these agencies."
page 17	Corrected language for sense.
page 18, No. 2.	Change the word "modify" to "add" and the word "modifications" to "additions".
page 19, No. 4.	Add at end of paragraph: "refundable upon the completion of improvements."
page 25	Completely revised. Change RFQ phase to 90 days. Add public review of finalist proposals. See revised Schedule, attached.
page 26, No. 6.	Add at end of sentence: "if designation is made."
page 37, B.	Add No. 6 "Responsiveness to the recommendations in the Pier 45 Task Force report (provided as part of this package)."
page 37, B.	Add No. 7 "Minimization or avoidance of interim relocation of fishing tenants on Pier 45."
page 38, 3.c.	Add "responsiveness to the information regarding the Hyde St. Pier and berthing program which will be made available by the Port to developers in the proposal phase."

Qualifications Phase	Estimated Time From Last Step	Approximate Dates
Port Issues Request for Qualifications	-0-	March 1, 1986
Developer response due	90 Days	May 30, 1986
Public workshop on Proposal	**NA**	**May 1, 1986**
Port selects developers to submit proposals	30 Days	July 1, 1986
Proposal Phase		
Port issues Request for Proposals to short list of qualified develope	-0- Days	July 1, 1986
Preproposal conference on public agency requirements	15 Days	July 15, 1986
Developer proposals due	75 Days	October 1, 1986
Developer presentations and interviews	15 Days	October 15, 1986
Public presentations of finalists' Proposals	7 Days	October 22, 1986
Developer selection and execution of Option Agreement	7 Days	October 30, 1986

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MINUTES OF THE SPECIAL MEETING OF THE PORT COMMISSION OF SAN FRANCISCO, FEBRUARY 27, 1986

The Port Commission met in special session on Thursday, February 27, 1986 for the purpose of considering two items. President Coleman called the meeting to order at 11:15 a.m. A quorum was present with the following members in attendance:

President Coleman, Commissioner Rudden, Commissioner Halsted.

The Commission was presented with a terminal sharing agreement for Japan Lines Ltd. for a five year period which is identical to that agreement the Port now has with Evergreen Line. It is anticipated that the addition of Japan Line will add about 15,000 TEU's to the Port's cargo volume as well as increasing Port's revenue by about $345,000 annually.

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Halsted, and approved unanimously to adopt Resolution No. 86-30.

The Commission next reviewed an amendment to the terminal revenue sharing agreement with Evergreen Marine Corp which would amend 1) the annual minimum TEU guarantee, 2) the scale of charges for Port tariff, and 3) would incorporate Japan Line. Discussion followed and Mr. Gartland stated that in the event the Charter and Sailing Agreement entered into by Evergreen and Japan, for any reason, is terminated, then Evergreen and the Port would have the same agreement which existed prior to this amendment.

ACTION: It was moved by Commissioner Coleman, seconded by Commissioner Halsted, and passed unanimously to adopt Resolution No. 86-31.

Meeting was adjourned by unanimous vote at 11:30 A.M.

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MINUTES OF THE MEETING OF THE SAN FRANCISCO PORT COMMISSION WEDNESDAY, MARCH 12, 1986

The Port Commission of the City and County of San Francisco met in regular session at the Commission Room, 3100 Ferry Building on Wednesday, March 12, 1986 at 10:00 o'clock a.m.

Present were President Coleman, Commissioners Halsted, and Herman. There was a quorum and the meeting was called to order. Absent members included the Vice President James J. Rudden.

Dr. Coleman,with the Commission's concurrence, recessed the meeting to go into executive session for the purpose of discussing the following matters:
1) CCSF v. Continental Development Corp., Superior Ct.No. 850-578
2) CCSF v. Commodore Helicopters, Inc. Superior Ct. No. 854-217
3) CCSF v. San Francisco Marine Center, et al Superior Ct. No. 846-071.

At the conclusion of the executive session, the Commission reconvened into regular session. City Attorney reported the Commission discussed the abovelisted matters, with no action being taken.

APPROVAL OF MINUTES

ACTION: Motion was maded by Commissioner Halsted, seconded by Commissioner Herman and unanimously carried to approve the minutes of the meetings dated February 26, and February 27, 1986.

EXECUTIVE DIRECTOR'S REPORT

The Executive Director reported the addition of Island Shipping Lines to those lines calling at the Port. This line serves Guam and Saipan and together with Lykes Lines will bring in an added 100 TEU's per week. He further reported the filing of the Evergreen and Japan Line agreements with the Federal Maritime Commission, as well as the agreement with Zim Lines. The Commission was also invited to participate in the Sake Festival to be held on March 31 in the Mayor's Office.

Commission again departed from the printed agenda to consider the matter of a proposed crab stand to be located at the Franciscan Restaurant. (This was done due to time constraints of individuals making the presentation.)

COMMERCIAL PROPERTY

Michael Stanton, the architect for Franciscan, presented schematics of the proposed crab stand, stating a 13% increase in revenue to the Port could result from its construction. Stanton presented letters from other Fisherman's Wharf restaurants, attesting to their support of the Franciscan's proposal. He then elaborated on those concerns which the Commission had expressed when first presented with this proposal, specifically, pedestrian circulation, and conformance to the Action Plan.

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Following Mr. Stanton's presentation, Commissioner Halsted voiced her concern whether another crab stand was really what was needed at the Wharf - and the fact that sales were not restricted only to crab but rather encompassed a variety of trinket type items. She also expressed a concern over the untimeliness of this proposal in view of the recent request for qualifications to developers for Pier 45. Commissioner Herman concurred with this being untimely, and stated it was his opinion that no case had been made for another crab stand. Following testimony from Mr. Richard Skaff, former General Manager for the Franciscan, a vote was requested by the owners on this proposal.

ACTION: It was moved by Commissioner Herman, seconded by Commissioner Halsted, and unanimously carried to deny this request for construction of a crab stand by the Franciscan Restaurant.

4. FINANCE & ADMINISTRATION

The Commission was next asked to approve refunds and allowances in the amount of $322,584, it was so moved and unanimously carried.

b) Commission was next asked to approve Non-Civil Service and Temporary Civil Service appointments for the previous months. It was moved, and carried.

Commercial Property

c) License nos. 11072 and 11074 (routine licenses) were submitted for approval. Commission so approved.

5. PLANNING & RESEARCH

a) A public announcement was made to indicate a meeting would take place in the afternoon in the Commission Room for discussion of issues associated with non-maintenance dredge spoils disposal in Bay waters off Alcatraz Island.

6. MARITIME

a) Commission was informed by Mr. Stone that a declaration of emergency was needed in order to accommodate Japan Line and Columbus Line, both of which require additional refrigeration capabilities. In order to provide this increased reefer service, we will need to install 12-240 volt and 20-480 volt, 50 amp receptacle modules.

ACTION: It was moved by Commissioner Herman, seconded by Commissioner Halsted, approved unanimously.

7. ENGINEERING & MAINTENANCE

a) Commission approved the award of Contract No. 2538 for maintenance dredging to Smith Rice Company in the amount of $1,057,500 by motion of Commissioner Herman, seconded by Commissioner Halsted, passed unanimously.

b) Commission next approved the award of Contract No. 2526 for electrical work Pier 80, Shed C to Brayer Electric in the amount

$380,342. It was moved by Commissioner Halsted, seconded by Commissioner Herman, and unanimously approved.

c) Commission next approved the award of Contract No. 2533, for earthwork and grading for the Intermodal Container Transfer Facility Phase I, to Ferma Corp. in the amount of $249,000. It was moved by Commissioner Herman, seconded by Commissioner Halsted, approved unanimously.

There being no further business, the meeting was adjourned at 12:10 p.m.

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MINUTES OF THE MEETING OF THE
SAN FRANCISCO PORT COMMISSION
WEDNESDAY, MARCH 26, 1986

The Port Commission of the City and County of San Francisco met in regular session in the Commission Room, 3100 Ferry Building in San Francisco on Wednesday, March 26, 1986 at 10:00 a.m. o'clock.

PRESENT: Arthur H. Coleman, President
James J. Rudden, Vice President
Anne Halsted, Member
James R. Herman, Member

ABSENT: None

Also present were Eugene L. Gartland, Executive Director, Art Osborne, Director, Engineering, Vello Kiisk, Chief Harbor Engineer, Lisa Clay, Deputy City Attorney, as well as other senior staff members.

APPROVAL OF MINUTES

The President declared a quorum present, and asked for approval of the minutes of March 12, 1986. It was so moved and carried unanimously.

EXECUTIVE DIRECTOR'S REPORT

Mr. Gartland informed the Commission of the successful arrival of the first Zim Line ship. A meeting with Santa Fe Railway's transition team was also reported which presages further meetings once the merger is accomplished; Mr. Gartland advised Santa Fe that he wanted an agreement in principle on service and rates within thirty days, to which they agreed. He next spoke to a proposal from General Atlantic for development of the parcel opposite Piers 30-32 for a World Trade Center. Mr. Gartland indicated he would be apprising Dr. Coleman of proposed administrative changes in response to a recent SPUR report with reference to planning and property. He further spoke of legislation introduced in the Senate, SB 1832, which will set aside $5 million from the settlement of offshore royalties to the Coastal Convervancy for grants originally intended to benefit the Port of San Francisco. This matter will be discussed under the new business portion of the meeting.

FINANCE & ADMINISTRATION

Mr. Ben Kutnick presented four financial reports to the Commission for review and approval. The report "Refunds and Allowances" in the amount of $252,205 was explained and Commission unanimously approved this amount. Dr. Coleman commented all reports reflected a healthy outlook and upward trend.

Mr. Kutnick next requested Commission's approval to obtain additional insurance funding by supplemental appropriation. It was explained the coverage would be for liability as well as property in the amount of $25,000,000 with deductibles of $500,000 for Property and $250,000 for Liability. Mr. Keith Grand, the City's Risk Manager, spoke to the matter explaining the difficulties which had been encountered in purchasing the insurance due to the current climate in the industry. The Commission thanked Mr. Grand for his diligence in overcoming these difficulties.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, and carried unanimously to approve Resolution No. 86-37.

Kutnick next requested Commission's approval to request the Board of Supervisors to pass an ordinance amending Section 10.169 of the San Francisco Administrative Code to fund an increase in the Revolving Fund and the Supplemental Appropriation to fund this increase in the amount of $319,500.

ACTION: It was moved by Commissioner Herman, seconded by Commissioner Rudden, and carried unanimously to pass Resolution No. 86-38.

COMMERCIAL PROPERTY

Eight licenses were presented to the Commission for approval, two of which were maritime oriented, and Commission unanimously all as presented.

Items 4f and 4g were deferred until the next Commission meeting.

PLANNING & RESEARCH

Commission was asked to approve a contract amendment to Dr. Rossi's contract in the amount of $18,000 in order to provide funding for a "pre-project" manager position for Pier 45 and Hyde Street Pier projects. This position would be for the purpose of guiding the process of developer selection, public input and the planning and regulatory affairs of this project. It was explained that this was necessary in order the expedite the filling of this position when it was timely to do so.

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Halsted, and carried unansimously to approve Resolution No. 86-43.

Dr. Rossi next informed the Commission regarding another piece of legislation recently introduced by Assemblyman Agnos to appropriate $200,000 for a feasibility study of a marine fisheries center at the Port of San Francisco. The Commission's endorsement of this bill was recommended.

MARITIME

Commissioner Herman spoke to the recent decision handed down by the Supreme Court which reversed an earlier adverse ruling governing the rights of longshoremen as per assignment during employment with the Pacific Maritime Association member companies. It was the Commissioner's opinion that a significant increase in cargo handling would occur with the result that the Port needs to ensure sufficient capability and cargo shed space to handle this increase, now and in the future. It is imcumbent upon the Port to provide an adequate number of container freight stations for this growth, especially in view of the impact of the development of the Mission Bay Project on the availability of CFS'.

ENGINEERING & MAINTENANCE

a) Commission's approval was requested to modify our bid for a used crane at Pier 80 in lieu of one at Pier 96; and it was so approved to allow the advertisement of bids for a used container crane at Pier 80.

ACTION: It was moved, and seconded by Commissioner Herman, Halsted, and passed unanimously to approve Resolution No. 86-43A.

b) Commission was next requested to approve the award of contract no. 2535 to the firm of Fischbach and Moore in the amount of $78,766 for the purpose of removing operating transformers from Building 21 at Pier 70. It was explained that the lowest bid was received from Westinghouse Electric Corp. which company was unable to comply with all contractual requirements, and therefore it was requested that Commission approve the award to the next low bidder Fischbach & Moore Inc.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, and approved unanimously to pass Resolution No. 86-44.

c) The last item for Commission's consideration was the award of design contract for Pier 30/32 rehabilitation to the firm of Jefferson Associates as the prime contractor for the contract amount not to exceed $550,000.

ACTION: It was a unanimous vote of approval to award this contract to the firm of Jefferson Associates as stated in Resolution No. 86-45.

NEW BUSINESS

Mr. Gartland asked the Commission's support and endorsement of Senate Bill 1862 which will $5 million in royalty monies for the Coastal Conservancy for the purpose of providing this money to the City and County of San Francisco and to the Port for restoration of urban waterfront areas.

ACTION: Commission voted to support SB 1862 as amended by unanimous consent.

President Coleman spoke to three issues; first, a compilation of goals for the Port for the next two years which were the result of a meeting with the Mayor. The president solicited the Commission's reaction to these and found it to be in agreement with them. Secondly, the matter of defining City Attorney's role within the Port structure was brought up; it was stated that a meeting with Mr. Agnost has been scheduled for May. Lastly, the proposal to initiate a committee system within the Commission was discussed. President Coleman indicated Commissioner Halsted was pursuing this matter for resolution.

There being no further business, a motion was made, seconded and carried that the meeting be adjourned at 11:15 a.m.

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MINUTES OF THE MEETING OF THE
SAN FRANCISCO PORT COMMISSION
WEDNESDAY, APRIL 9, 1986

Port Commission met in regular session on April 9, 1986 in the Commission Room, 3100 Ferry Building, San Francisco, at 10:00 a.m.

PRESENT: Dr. Arthur H. Coleman. President
James J. Rudden, Vice President
Anne Halsted, Member

ABSENT: James R. Herman, Member

Senior staff members, Acting Director Ronald Stone, Jack Conrad, Arthur Osborne, Deputy City Attorney Angela Karikas, Lisa Clay, Vello Kiisk, Chief Engineer were also present.

APPROVAL OF MINUTES

The president declared a quorum present, and requested the Commission's approval of the minutes. It was moved by Commissioner Halsted, seconded by Commissioner Rudden, and carried unanimously.

EXECUTIVE DIRECTOR'S REPORT

In the absence of Mr. Gartland, Acting Director Stone reported on the Zim Line agreement which will go before the Board of Supervisors'Finance Committee this day. He further stated that Japan Line's agreement is now being reviewed by the Federal Maritime Commission. Mr. Stone indicated he had met with the transition team for Santa Fe Railway with future meetings planned.

Two visitors from Shanghai, Mr. Hua and Mr. Hwang, were introduced to the Commission; under the aegis of the San Francisco-Shanghai City Friendship Committee, these two individuals will intern with the Port of San Francisco for three months. The Commission welcomed them aboard, and hailed the program as both innovative and inspired.

ADMINISTATION & FINANCE

The Commission received a statement of revenues and expenditures for the period ended January 1986, which was reviewed and accepted. Commission was requested to approve three personnel transactions for the month of March, and it was so moved by Commissioner Rudden, seconded by Commissioner Halsted, carried unanimously.

Commission was next asked to authorize staff to forward a resolution to the Board of Supervisors, in conformance with Sec. 8.300-1 of the Charter, which would allow the Port to contract for security services.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, carried unanimously to approve Resolution No.86-46A.

COMMERCIAL PROPERTY

Ms. Schimke presented license nos. 11018-79-84-85-88 for review. These are located in the Ferry Building, as well in the World Trade Center, and at Pier 46B.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, passed unanimously.

Commission was requested to approve specifications for the 1986-87 security guard contract for transmittal to the Purchaser for bidding. It was noted the only substantive change in the contract was extending the length of hours to allow opening of the Ferry Building each day.

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Halsted, carried unanimously.

Commission's review and approval was sought of the janitorial and window washing services contract for 1986-87. It was noted that three separate contracts were being considered covering three different work areas, Ferry Building/World Trade Center; Agriculture Building; and Pier 9, 35, and 80.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, approved unanimously.

MARITIME

Commission was requested to approve Resolution No. 86-47 which would permit the Port to consider as employees for purposes of Workmen's Compensation Insurance an individual involved in Work-Learn Programs as an intern.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, passed unanimously.

EXECUTIVE SESSION

President Coleman indicated the Commission would go into executive session to discuss the matter of litigation entitled City and County of San Francisco vs S.T. Freight Systems, as specifically authorized under Calfironia Government Code Section 54956.9, subdivision (a). Following the executive session, Deputy City Attorney Clay reported the Commission agreed to a settlement in this matter.

There being no further business, the meeting was adjourned at 10"25 a.m.

City and County of San Francisco: Office of City Attorney

George Agnost,
City Attorney

MEMORANDUM

April 4, 1986

TO: PRESIDENT AND HONORABLE MEMBERS
SAN FRANCISCO PORT COMMISSION

FROM: ANGELA KARIKAS
LISA A. CLAY
Deputy City Attorneys

SUBJECT: EXECUTIVE SESSION CALENDARED FOR APRIL 9, 1986 PORT COMMISSION MEETING

An executive session has been calendared on the April 9, 1986 Port Commission meeting to discuss the matters of litigation entitled City and County of San Francisco v. S. T. Freight Systems, Superior Court No. 907-811. The executive session is specifically authorized under California Government Code Section 54956.9, subdivision (a).

cc: Eugene L. Gartland
mt

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MINUTES OF THE MEETING OF THE
SAN FRANCISCO PORT COMMISSION
WEDNESDAY, MAY 14, 1986

The Port Commission met in regular session on Wednesday, May 14, 1986 at 10 o'clock a.m. in the Ferry Building at Suite 3100, in the City of San Francisco.

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PRESENT: Dr. Arthur H.Coleman
Anne Halsted
James R. Herman
James J. Rudden

ABSENT: None

Also present were Eugene L. Gartland, Jack Conrad, Arthur Osborne, Ron Stone, Lisa Clay, Dorothy Schimke, Randy Rossi, and Vello Kiisk.

APPROVAL OF MINUTES

The minutes of the meeting of April 9, 1986 were approved by unanimous vote.

EXECUTIVE DIRECTOR'S REPORT

Mr. Gartland presented a document entitled "A Second Look at the Management Audit of the Port of San Francisco....." for Commission's review, citing points made by Rose in the audit, which although erroneous, are the basis for further invalid assumptions. Commissioner Halsted asked for Mr. Gartland's statement concerning support of changes in BCDC legislation, and Mr. Gartland indicated his stance was for a clarification of current legislation, and in support of the McAteer-Petris Act.

The president stated Items 5(b) and (c) concerning the matter of a heliport study would be considered first on the agenda. The Commission concurred with this in deference to the large attendance.

PLANNING & RESEARCH

5(b) Rossi presented the matter to authorize the acceptance of a gift of funds with which to begin planning grant application, and environmental studies to assess the feasibility of a public heliport. A ten point process was delineated for the Commission which outlined an 18-month to two year process. Following this, Bob Hayden of the Chamber of Commerce, spoke to the matter of funding for this study. Hayden acknowledged that all the money needed for this study was no longer available due to other constrictions, and therefore asked that this matter be postponed until further notice. Discussion followed whether to proceed with consideration of the matter for a heliport study.

A question next arose regarding parliamentary procedures governing passage or rejection of a motion when a tie vote occurs. The City Attorney researched the question, and held that it was her opinion three votes were necessary for passage, and a tie vote indicated rejection of any motion. The president invited those persons who wished to speak to the heliport study matter to address the Commission when their names were called. Approximately 30 people in all responded, both proponents as well as opponents. Following testimony, the president asked for debate by the Commission. Commissioner Halsted stated in her opinion no serious case had been made by the business community for such a study, therefore she would move not to support this resolution, and asked for a second to her motion. Commissioner Herman seconded the motion, and indicated he wished to discuss it further. Commissioner Herman contended the issue was whether an obligation is owed to those businesses which have elected to move elsewhere or the residents who pay taxes, to those who live in the City, and who are entitled to consideration of their rights.

ACTION: It was moved and seconded to reject the proposed feasibility study for a heliport site. By roll call vote, Commissioner Herman and Halsted voted yea, Commissioners Rudden, and Coleman nay. A tie vote resulted, the motion failed.

Following further discussion, the Commission acted on the next resolution - Resolution No. 86-18 to authorize solicitation of proposals for a planning grant application.

ACTION: It was moved and seconded to approve Resolution No. 86-18; a tie vote resulted; the motion failed

Subsequent discussion resulted in a unanimous decision to withdraw Item 5(b)[Res. No. 86-17] thereby negating the former action rejecting the motion for acceptance of the funds for a feasbility study.

President Coleman asked to move the agenda to the next order of business under Finances.

5. Finance & Administration

a) Action: Moved, seconded, passed unanimously to approve personnel transactions for April 1986

b) ACTION: Moved, seconded, passed unanimously to approve Port Director's salary increase to $95,115 for fiscal year 1986-87.

4.c) ACTION: Moved, seconded, passed to approve resolution submission to Board of Supervisors concurring with Controller's certification that Port Commission may contract for janitorial services.

d) ACTION: Moved, seconded, carried to approve refunds and allowances in the amount of $177,993. for March.

COMMERCIAL PROPERTY

e) ACTION: Moved, seconded, carried to approve license and leases as specified.

f) There was no action requested of the Commission on the item by which Limbach, Limbach & Sutton has accepted an offer of $1.75 s.f. for space on the second floor of the Ferry Building. City Attorney determined the provisions of the right of first refusal under the Limbach lease are self-executory; therefore no formal Commission or Board of Supervisors' approval is necessary.

g) No action was required on this item. Purchaser indicated that policy dictated contracts such as janitorial and security are let for a two year period. Therefore bid specifications for the specific contracts will be modified to reflect these changes.

5.a) Commission was asked to approve a contract modification in the amount of $68,750.00 for work which would be required for Pier 70 rehabilitation in order to build a container freight station. Such a proposal would require environmental review and the firm of Bendix Environmental Research is already familiar with the environmental setting and impacts on the southern waterfront from their work on the Container Terminal EIR. This modification would be an adjunct to the maritime improvement program.

ACTION; Moved, seconded, carried to approve Resolution No. 86-35.

MARITIME

6.a) Withdrawn.

b) Commission was requested to approve amending Triumph Marketing contract in the amount of $58,000 to cover unexpected matters - abandonment of UP-WP property, SP/SF Corp. for the rail agreement, Mission Bay Transportation Task Force, and other related items.

ACTION: Moved, seconded, carried to approve this modification under Resolution No. 86-50.

c) Commission was requested to extend the contract with California Stevedore & Ballast for the CFS for one year.

ACTION: It was moved, seconded, carried to approve Res. No.86-5.

d) Approval was sought to establish a Sister Port relationship with the Port Guayaquil, Ecuador.

ACTION: Moved, seconded, carried to approve Res. No.86-59.

ENGINEERING & MAINTENANCE

7.a) Commission approval was requested to award a contract for space analyses of the Ferry Building to Ostgren & Associates in the amount of $30,000.

ACTION: Moved, seconded, carried to approve Res. No. 86-57.

b) Commission was asked to authorize advertising for bids for Phase I of the Intermodal Container Transfer Facility.

ACTION: Moved, seconded, carried to approve Res. No. 86-58.

NEW BUSINESS

Mr. Stone requested the Commission to lend its opposition to the proposed closing of the Federal Food & Drug Administration laboratory in San Francisco. It was explained such a closing would adversely impact the Port because of the coffee and cocoa beans which must be inspected before they can leave the dock. The Commission passed a resolution protesting the FDA inspection laboratory closure, and asked the Director to advise Food & Drug Administration.

EXECUTIVE SESSION

In the matter of CCSF v Delta Steamship Lines, Commission approved settlement of pending litigation. Settlement of pending litigation against Pacific Oriental Terminals in a separate action was also approved by the Commission.

There being no further business, the Commission adjourned at 12:15 p.m.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF THE MEETING OF THE
TWENTY-EIGHTH OF MAY, 1986

The Port Commission of the City and County of San Francisco met in regular session at 10 o'clock a.m. in the Ferry Building on Wednesday, May 28, 1986.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
Anne Halsted, Member

ABSENT: James R. Herman, Member

Also present were Eugene L. Gartland, Ron Stone, Jack Conrad, Capt. Osborne, Angela Karikas, Vello Kiisk, Lisa Clay, Dorothy Schimke, Randy Rossi, and Ben Kutnick.

APPROVAL OF MINUTES

ACTION: The minutes of the meeting of May 14, 1986 were approved by motion of Commissioner Halsted, seconded by Commissioner Rudden, passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Mr. Gartland announced he and Mr. Stone would be leaving for a 3 week trade promotion trip to the Orient on May 30. Their itinerary includes Japan, Taiwan and Hong Kong. Mr. Gartland then asked that Item 6a be postponed, subject to the call of the chair, since he was not yet prepared to make a recommendation to the Commission. In addition, Item 6b, is a briefing on the feasibility study of Pier 35 by Gordon Chong Associat The second part of this item will be deferred subject to the call of the chair, since it was agreed it would be premature to consider negotiati any contract at this time.

FINANCE & ADMINISTRATION

Mr. Conrad presented four financial reports to the Commission for its review. He then asked Commission to approve refunds and allowances in the amount of $221,000 for the month of April.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, passed unanimously to approve refunds and allowances in the amount of $221,000.

Mr. Kutnick asked the Commission to approve a collection policy and a revised accounts receivable write-off policy for commercial property area. Dr. Coleman suggested further discussion was necessary regarding the settlement clause for accounts. It was therefore the Commission's decision to approve the write-off and collection policies with the exception of the sections governing settlement of accounts, write-off approval and bankruptcies, which City Attorney advised were contrary to the Charter.

4(b) ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, to approve Resolution No. 86-56, unanimously.

4(c) The Commission was next asked to approve a contract for planning, environmental and regulatory services with Dr. Rossi in the amount of $98,000 for fiscal year 1986-87. After briefly discussing this item, Commission took the following action.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, and unanimously approved Resolution No. 86-62.

4(d) Mr. Conrad requested approval of Resolution No. 86-64 authorizing a supplemental appropriation of $883,299 to replenish the City's Emergency Reserve Fund which was the Port's share for testing, metering and/or removing of underground gas tanks.

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Halsted, and unanimously approved.

COMMERCIAL PROPERTY

Ms. Schimke requested approval of license nos. 11109-11-12-13 located in the World Trade Center and at Pier 35.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, and approved unanimously.

MARITIME

6(b) Mr. Gordon Chong indicated his firm had undertaken a study to determine the need for, and feasibility of, an expansion of the passenger terminal into a two-pier cruise ship facility. In his analysis, Mr. Chong found the physical deficiencies and limitations of the existing pier severely overburdened in meeting the ever-increasing growth of the cruise industry. Mr. Gerald Chong, the financial analyst for this firm, next addressed various methods of funding this expansion. He indicated discussion with those directly benefiting from an expansion, the port, the cruise lines, and the pier operators, revealed very little ability to finance this needed expansion. As an alternative, he cited the possibility of financing by dividing into two portions: 1) tax exempt bonds issued by California Urban Waterfront Area Restoration Financing Authority and 2) corporate taxable bonds to finance the interior commercial project. Mr. Joseph Petrillo, former executive director of the California Coastal Conservancy, and legislative consultant on waterfront and coastal issues, next addressed the Commission regarding the possibilities of utilizing CUWARFA bonds for this project.

Mr. Gartland thanked Mr. Chong for an excellent presentation, agreed to the urgency and importance of such an expansion and urged Mr. Chong to meet with staff to develop solutions for the problems of relocating the herring fleet, financing the project and other existing obstacles.

EXECUTIVE SESSION

Commission met in executive session in the matter of City and County of San Francisco v. Allianz Insurance Co., and approved settlement for payment by Allianz to the City in the amount of $81,474.10.

Meeting was adjourned by motion of Commissioner Halsted, seconded by Commissioner Rudden, approved unanimously.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF THE MEETING OF
WEDNESDAY, JUNE 11, 1986

The Port Commission of the City and County of San Francisco met in regular session at 10 o'clock a.m. Wednesday, June 11, 1986 in Suite 3100 Ferry Building.

PRESENT: Dr. Arthur Coleman, President
James J. Rudden, Vice President
William Chang, Member
Anne Halsted, Member
James R. Herman, Member

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ABSENT: None

Also present were Jack Conrad, Acting Executive Director, Arthur Osborne, Angela Karikas, Vello Kiisk, Dorothy Schimke, Randall Rossi, Roger Peters.

APPROVAL OF MINUTES

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, and unanimously approved the minutes of the meeting of May 28, 1986.

Dr. Coleman moved the agenda to executive session for the purpose of discussing the status of City and County of San Francisco v. Continental Development Corporation, Superior Court No. 850-578. At the conclusion, Deputy City Attorney Karikas announced a decision had been reached to authorize an offer to compromise pursuant to Code of Civil Procedure, Section 998.

FINANCE & ADMINISTRATION

Mr. Conrad, on behalf of Mr. Gartland, welcomed Mr. William Chang as a new member of the Port Commission assuring Mr. Chang of a warm welcome by Port staff and interest in working with him.

Mr. Gartland reported very successful meetings with Japan Lines, according to Mr. Conrad, indicating Japan Lines reports a large volume of intermodal cargo, and seems satisfied with the present arrangement with Evergreen and the Port.

Mr. Conrad reported the Port received a check for $1.4 million from Mission Insurance for fire damage at Pier 30-32, which brings us to a total of $2 million received to date. The remaining $10M due will not be forthcoming until such time as construction is completed.

In regard to Pier 45's request for qualifications, Mr. Conrad reported eight RFQs were received and staff is currently reviewing and evaluating these.

Commissioner Halsted asked staff to draft an appropriate memorial to

crew of the Jack Jr., the fishing vessel which was involved in a fatal accident, whose entire crew lost their lives. Commissioner Halsted also requested the Commission go on record in support of whatever actions are necessary to prevent such loss of life in the future. Conrad assured Commissioner Halsted staff would undertake the drafting of a memorial resolution.

(i) Mr. Conrad requested Commission's authority to fund the difference between Port's estimated revenues and expenditures for 1986/87 from surplus monies, financing the shortfall, rather than reducing our operating budget. It was explained reducing our budget would negatively affect our ability to offer our current level of services. Discussion followed by the Commission.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Herman, unanimously approved Res. No. 86-80.

a) Approval was requested of non-Civil Service appointments for the month of May. The appointment was for a 5210 Senior Civil Engineer position which was awarded Mr. Lindbergh Low.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, approved unanimously.

b) A contract with a CPA firm, Chek F. Tan to audit percentage rent tenants was proposed. This firm is part of the Associated Asian CPA Firms, with which the Port has contracted to perform this audit. Discussion followed, in which mention was made that the Controller's office will take over the responsibility for auditing Port tenants at the expiration of this contract with Associated Asian CPA. This is a result of Board of Supervisors' ruling requiring the Controller's office to audit rather than outside firms.

ACTION: It is moved by Commissioner Halsted, seconded by Commissioner Rudden to approve this contract, subject to City Attorney approval, under Res. No. 86-65.

Commercial Property

c) Ms. Schimke presented five routine licenses for approval with a brief explanation concerning Children's Hospital storage on Pier 46b.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, passed unanimously.

d) Approval was sought to extend the lease for office space for California Stevedore & Ballast at Pier 80 to run co-terminus with its operating agreement.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Halsted, approved unanimously.

Commissioner Chang inquired if there is a comprehensive marketing plan for the 60,000 s.f. of vacant office space presently available. Mr. Conrad acknowledged the need for such a plan, indicating the Executive Director's reorganization plan would certainly encompass developing such a plan.

PLANNING & RESEARCH

5a) By way of background, Dr. Rossi presented a chronological history of the commercial fishing industry at Fisherman's Wharf and the diverse constituency that has continued to seek help to revitalize commercial fishing and making it a part of San Francisco. He then asked Carol Brown to present her findings on the matter. Ms. Brown spoke to the infrastructure planning study which she had undertaken (a draft report was presented to each Commissioner). The report concerned two areas: vessels and fish-handlers and spoke to the needs of both. Following Ms. Brown's presentation and comment by the Commission, it was the decision to gather further public input through a formal public hearing, and return to the Commission for implementation.

b) This item was deferred until the Executive Director has returned.

c) Dr. Rossi spoke to the authorization to expend the funds which
d) have been granted to the Port by State Wildlife Conservation Board for Pier 7 public fishing pier and the conditions which have been imposed by the Conservation Board for this grant. It was the decision of the Commission to defer action on these two items for two weeks, pending submission of lease documents.

e) Commission was asked to approve a new contract for services with Carol M. Brown for fiscal year 1986-87 for the amount not to exceed $46,900 for work relating to fishing industry, Coastal Conservancy planning team inter-action and development of the Pier 45.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Chang, passed unanimously.

MARITIME

6. Commission was asked to reject all bids received for a used container crane for Pier 80 which in light of the Lykes Line departure has been determined to be unnecessary. Commissioner Chang inquired if a prospective new user to this facility would require such a crane but was assured that the construction of the two 100 ft. gage container cranes would be sufficient for any new account without this purchase.

ACTION: It was therefore moved by Commissioner Halsted, seconded by Commissioner Rudden,and approved unanimously.

6b) Seven personal service contracts were submitted to the Commission covering a wide area of interest: agent representation, trade data information, public relations and advertising. Lacking City Attorney's approval, as well as Human Rights certification, it was the Commission's decision to postpone action on these contracts for two weeks. These matters will be submitted to the Commission on June 25 for action.

ENGINEERING & MAINTENANCE

7a) Commission was asked to authorize the award of a contract for inspection of the container cranes under construction in Korea to Marine Inspection Services Co., Inc. in an amount not to exceed $99,632.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Halsted, approved Resolution No. 86-73.

b) Commission authorized the award of the Intermodal Container Transfer Facility contract - Phase I - to the joint venture Stacy & Witbeck, West Bay & Nationwide, in the amount of $2,994,000.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Rudden, passed unanimously.

c) Commission authorized the final payment and acceptance of work under Contract No. 2534, Maintenance Dredging, to Smith Rice Company in the amount of $174,800.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Chang, passed unanimously.

The matter of adoption of an accounts receivable write-off policy was deferred for action for two weeks, pending discussion by City Attorney and Finance Director and a resolution in writing to be submitted at that time.

The president asked for a motion to adjourn; Commissioner Halsted so moved, and there being no further business, Commission adjourned at 12:40 p.m.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF THE MEETING
OF WEDNESDAY, JUNE 25, 1986

The Port Commission of the City and County of San Francisco met in regular session at 10 o'clock a.m. Wednesday, June 25, 1986 in the Ferry Building, Suite 3100.

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PRESENT: Dr. Arthur Coleman, President
James J. Rudden, Vice President
Anne Halsted, Member
William Chang, Member

ABSENT: James R. Herman, Member

Also present were Eugene L. Gartland, Executive Director, Ron Stone, Art Osborne, Angela Karikas, Lisa Clay, Ben Kutnick, Dorothy Schimke, Randy Rossi.

APPROVAL OF MINUTES

The minutes of the meeting of June 11, 1986 were approved by motion of Commissioner Halsted, seconded by Commissioner Rudden, passed unanimously.

EXECUTIVE DIRECTOR's REPORT

Mr. Gartland reported on a very successful trip to Japan, Taiwan, and Hong Kong, with strong indications there will be positive results from this trip in the near future. Mr. Gartland next mentioned the issue of undergrounding utilities which he indicated would be before the Commission at the next meeting.

FINANCE & ADMINISTRATION

Mr. Kutnick presented two financial reports for Commission review with a brief discussion following Commissioner Chang's queries on the CCSF v. Todd Shipyard suit. Mr. Kutnick informed the Commission of the excellent performance of two of his employees - Maureen Gatt, Senior Account Clerk, and Renee Jones, Collections Supervisor - who have been instrumental in initiating more efficient accounting procedures with the result that both their sections have been much improved and overall have made a significant contribution to the Port. The President suggested a resolution be drafted for presentation at the next meeting acknowledging this exemplary performance.

COMMERCIAL PROPERTY

Ms. Schimke requested deletion of license no. 11115 due to the fact this license was to run co-terminus with that of the automobile towing company contract. Since this contract has not been renewed, this license will not be necessary.

The president of City Auto Services asked to address the Commission, and stated he had received no notice from the City cancelling his contract for towing, intimating less than fair treatment. He then asked the Commission reconsider the decision to withdraw the license. On the advice of City Attorney, the Commission withdrew the license but promised to look into the matter further.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Chang, and passed unanimously to approve licenses as indicated.

PLANNING & RESEARCH

Randy Rossi presented a request for authorization to expend a grant of funds from the Wildlife Conservation Board for construction of Pier 7 public access and fishing pier; and entering into an agreement with Wildlife Conservation Board as a condition of this grant.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Chang, approved unanimously to pass Resolutions No. 70 and 71.

Commission was next asked to endorse the recommendations and conclusions contained in the Carol M. Brown study "Fisherman's Wharf Infrastructure" as a conceptual guideline for planning for vessel berthing and fishing industry improvements. Following Ms. Brown's summation, Commissioner Halsted expressed one concern that such endorsement not preclude further public comment and input from the community. Following discussion, it was the Commission's decision to support the study, conditioned upon continued public input, and request staff return with a revised edition.

Commission was requested to pass a resolution to allow staff to apply to the California State Coastal Conservancy for an Urban Waterfront Restoration Program grant for commercial fishing vessel berthing and support facilities. Commissioner Chang expressed concern that"plans would be set in concrete" prematurely by applying for this grant. Discussion followed regarding this concern, with Rossi explaining the lengthy and extensive process involved, and assuring Commissioner Chang of the ongoing and continuous interaction with the public. President Coleman directed staff to include the words "with input from the public".

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Halsted, and approved unanimously to pass Resolution No. 86-79 with the addition of the words as specified by President Coleman.

MARITIME

Ron Stone requested Commission's approval of two personal service contracts, both of which had been approved as to form by City Attorney and the Human Rights Commission. These contracts were for agency representation in the Mid-Western United States and a public relations and advertising representative.

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Halsted, and unanimously approved the two personal service contracts for Trans Trade Inc. (Resolution No. 86-67); and Nancy Pitt Advertising and Public Relations (Resolution No. 86-76).

Commissioner Chang requested the opportunity to review monthly field reports from the contractor in order to become familiarized with what is being done in trade development. These reports will be made available to the Commission.

The last item under maritime was a request to amend the contract with Hill, Betts & Nash for legal services in the amount of $47,000.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Rudden, and approved unanimously.

NEW BUSINESS

Mr. Gartland read a letter from the Mayor of Richmond asking for support to deny entrance of nuclear materials from the Far East through West Coast ports. Discussion followed with the Commission directing Mr. Gartland to prepare a resolution for the next meeting which would express the Port's position.

There being no further business, the meeting adjourned at 11:15 a.m.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF THE MEETING
OF WEDNESDAY, JULY 9, 1986

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The Port Commission of the City and County of San Francisco met in regular session at 10 o'clock a.m. Wednesday, July 9, 1986 in the Ferry Building, Suite 3100.

PRESENT: Dr. Arthur H. Coleman, President
Anne Halsted, Member
William Chang, Member

ABSENT: James J. Rudden, Vice President
James R. Herman, Member

Also present were Eugene L. Gartland, Executive Director, Jack Conrad, Art Osborne, Vello Kiisk, Angela Karikas, Lisa Clay, Dorothy Schimke and Randy Rossi.

APPROVAL OF MINUTES

The minutes of the meeting of June 25, 1986 were approved by motion of Commissioner Halsted, seconded by Commissioner Chang, and passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Mr. Gartland reported that the Mayor's Fiscal Advisory Committee had met with Port staff on July 8. This Committee is an interview team from the private sector appointed for the purpose of identifying priority issues and seeking improvements in city departments. Staff described to the Committee the contents of the Port's three year data processing plan, the technical and financial aspects and its benefit, and relayed the Port's frustration with the delay in EIPSC's approval of the plan. The other major issue identified was the proposal to change the administrative structure of the Property Department to permit an effective development and expansion program. The Committee indicated that they were favorably disposed to the Port's views on both matters.

Mr. Gartland reported that the Port's recent function on the USS MISSOURI had been a success and many expressions of appreciation had been received. The Director mentioned that Maritime Director Ron Stone was in Sacramento, attending Speaker Willie Brown's hearing on a bill calling for a study of a possible Bay Area Port Authority, and stated that the Port had no pre-conceived ideas of the result of the study, but did support the concept of a study.

Mr. Gartland said that because there had been problems with Hyundai cranes being built in Seattle, he had met with representatives from Hyundai and stipulated that the Port wanted a quality control person from Paceco, the designer, present during the construction of the Port's cranes, and that he had asked Hyundai to absorb the major portion of this financial commitment. Mr. Gartland said he had met with Consul General Sella of Israel, who had asked if the Port would lend its support for a conference the Israeli government will sponsor in the Bay Area this fall to promote trade, and had told the Consul General it was the Port's policy to support such endeavors.

Mr. Gartland also reported that on July 8, staff had made a presentation of Port facilities to 16 interns who are sponsored by the San Francico Shanghai Sister City Committee. Commissioner Chang described the internship program and stated that this event had been an excellent opportunity for the Port to promote its facilities.

RESOLUTION No. 86-81

Dr. Coleman presented a Resolution to Maureen Gatt of the Accounting Department, commending her for outstanding performance, and her initiative in implementing new procedures and control systems which have greatly improved efficiency, and benefited the Port.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Chang, approved unanimously to adopt Resolution No. 86-81.

Mr. Gartland informed the Commission that the Port had nominated Renee Jones of the Collection Department for an award that the Mayor will present for outstanding service to the City.

FINANCE AND ADMINISTRATION

Jack Conrad presented financial reports for the Commission's review. Commissioner Chang inquired about two accounts which were written off with the Legal Department's recommendation, Pacific Oriental Terminals and Fritz Maritime. City Attorney Lisa Clay explained the facility damage collection procedures.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Chang, passed unanimously to approve Statement of Refunds and Allowances.

Mr. Conrad requested approval of Personnel Non-Civil Service and Temporary Civil Service appointments and removals.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Halsted, approved unanimously to pass Resolution No. 86-3.

PLANNING AND RESEARCH

Randy Rossi requested authorization to apply for and accept a grant from the Coastal Conservancy for pier removal and shoreline restoration, specifically to assist in the removal and disposal of areas of Piers 34, 64 and 70. After Port approval, the Resolution would be forwarded to the Board of Supervisors for their recommendation. Commissioner Halsted asked if the Commission's endorsement of this Resolution would indicate the Commission definitely wanted the Piers removed. Dr. Rossi stated it would have that inference, but that these areas could only be used for maritime purposes or public access, and that this endorsement would not conflict with the Master Plan.

Commissioner Chang inquired about the policy for receiving credit for Bay surface areas uncovered when piers were removed. Randy Rossi responded that full credit can be received against a future project if that project was for maritime use or public access. He further explained that credits currently applied only in four sub-area "banks", and that to move fill credits to other areas would require a change in the Bay Conservation and Development Commission's Special Area Plan.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Chang, approved unanimously to pass Resolution No. 86-82.

Randy Rossi requested authorization to amend contract with Bendix Associates for dredging environmental review. The contract modification would cover preparation of documents and analysis, as well as the Corps of Engineer's elutriate testing, for channel improvements off the southern waterfront. Staff requested contract modification not to exceed $58,000. Commissioner Halsted asked the meaning of "elutriate", and Bendix Associates principal Selina Bendix responded.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Halsted, approved unanimously to pass Resolution No. 86-83.

ENGINEERING AND MAINTENANCE

Captain Osborne requested authorization of modification of Standard Agreement No. 1301 with Vickerman, Zachary, Miller in an amount of $195,000 for updating the master plan for the South Container Terminal and designing the undergrounding of electric power supply and communication systems of the South Terminal.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Chang, approved unanimously to pass Resolution No. 86-84.

EXECUTIVE SESSION

The Commission met in executive session in the matter of Ethridge v. City and County of San Francisco, and in the matter of City and County of San Francisco v. Continental Development Corporation.

At the conclusion of the executive session, the meeting resumed and Dr. Coleman asked City Attorney Angela Karikas to report on action taken during the executive session.

Angela Karikas stated that the Port Commission met in executive session and considered and approved settlement in the case of Ethridge v. City and County of San Francisco, and that the Commission also approved an increase in the compensation terms of the contract with Deets & Associates in the case of the City and County of San Francisco v. Continental Development Corporation.

There being no further business, meeting was adjourned at 11:10 a.m. by motion of Commissioner Halsted, seconded by Commissioner Chang, approved unanimously.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF THE MEETING
OF WEDNESDAY, JULY 23, 1986

The Port Commission of the City and County of San Francisco met in regular session at 10 o'clock a.m. Wednesday, July 23, 1986 in the Ferry Building, Suite 3100.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
Anne Halsted, Member
William Chang, Member

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ABSENT: James R. Herman, Member

Also present were Eugene L. Gartland, Executive Director, Ben Kutnick, Art Osborne, Ron Stone, Angela Karikas, Vello Kiisk, Lisa Clay, Dorothy Schimke, Randy Rossi.

APPROVAL OF MINUTES

ACTION: The minutes of the meeting of July 9, 1986 were approved by motion of Commissioner Halsted, seconded by Commissioner Chang, and passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Mr. Gartland reported on meetings with the Golden Gateway Center with reference to the garage situation, indicating discussions were still in the preliminary stages, but that the Commission would be kept advised of any progress toward an agreement. Mr. Gartland stated he would submit such document to the Commission for its consideration.

Mr. Gartland reported continuous discussions with the Navy on the Missouri situation, with no resolution or final coming to fruition. He further reported a meeting of the Chamber of Commerce Port Committee at which both he and Mr. Harvey Rose were in attendance with no position taken at this time by the Chamber with reference to the management audit.

Mr. Gartland indicated Dr. Rossi would address the Pier 45 development but stated it was presently the schedule to have a request for proposal ready for August. The Commission excused Mr. Gartland so that he could attend a meeting with a Greek shipping line in the Mayor's office.

FINANCE & ADMINISTRATION

Substituting for Jack Conrad, Ben Kutnick presented two financial documents to the Commission, a summary of revenue and expenditures, and a statement of expenditures for the period ending May 31, 1986. Commissioner Chang asked for an explanation of the retroactive revenue sharing listed under wharfage and dockage. He then inquired about the proposed parking stalls which were not installed and the resulting loss of revenue. Ms. Schimke explained that the lots originally planned for parking stalls have been more favorably leased for other purposes and appear under the category of leases.

COMMERCIAL PROPERTY

Commission was asked to approve routine license and leases with an explanation regarding those for mobile catering trucks, which have been operating on the Southern waterfront. Ms. Schimke explained that henceforth in order to obtain a license for mobile operation, it will be necessary to provide a letter from a Port tenant, such as a ship repair company, requesting service.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Halsted, and passed unanimously.

The Commission presented a plaque and the Order of Maritime Merit to recognize former Commissioner Gordon Lau for his hard work and outstanding contribution while a member of the Port Commission.

PLANNING

Commission was presented with a contract for professional services with Phil Kern for project management of the Fisherman's Wharf project. Discussion followed regarding the parameters of the work scope. The Commission directed staff to broaden the language of the work scope in order to ensure Mr. Kern's participation in all areas where his expertise can be utilized.

ACTION: It was moved by Commissioner Chang, seconded by Halsted, passed unanimously to approve Resolution No. 86-85 with language clarification to include "other related Fisherman's Wharf projects".

The Commission was requested to modify a contract with Keyser-Marston Associates for services on the Pier 45/Hyde Street Pier RFQ/RFP. In order to complete the proposal process, it is requested to augment the work scope and increase the contract in the amount of $22,000.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Halsted, and passed unanimously.

MARITIME

The Commission was requested to approve a contract with Carl Byoir, Arnold, Palmer & Noble for professional communications services for non-maritime activities. Recent events have indicated a strong need to increase public awareness of the Port's expansion. The firm of Byoir, Arnold, Palmer & Noble, one of the largest professional communications companies in San Francisco, will endeavor to improve the relationship the Port has with many different segments of the public as well as the business interests in the Bay Area.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Halsted, and passed unanimously.

ENGINEERING & MAINTENANCE

A request for a supplemental appropriation of $550,000 to finance the design for the replacement of facilities at Pier 30/32 was submitted to the Board of Supervisors.

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Halsted, and approved unanimously.

Commission was asked to authorize staff to receive competitive bids for the construction of the improvements to San Francisco Container Terminal North (Pier 80). Pat Klampe, project manager for CH2M Hill, our design consultant, was introduced to the Commission. Captain Osborne emphasized the need to maintain our schedule to be able to accommodate the new Hyundai container cranes at this terminal. Mr. Stone reaffirmed the need to modernize this facility by stating it will be impossible to attract any large volume user without the facilities available.

ACTION: It was moved by Commissioner Halsted, seconded by Commisssioner Rudden, passed unanimously.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF THE MEETING
WEDNESDAY, AUGUST 13, 1986

The Port Commission met in regular session at 10 o'clock a.m. Wednesday, August 13, 1986 in Suite 3100 Ferry Building, San Francisco.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
Anne Halsted, Member
William Chang, Member

ABSENT: James R. Herman, Member

Also present were Eugene L. Gartland, Ronald Stone, Jack Conrad, Arthur Osborne, Angela Karikas, John Kellogg, Dorothy Schimke, Randy Rossi.

APPROVAL OF MINUTES

ACTION: The minutes of the meeting of July 23, 1986 were approved by motion of Commissioner Halsted, passed unanimously.

Commission concurred with a request by the President to reorder the agenda - placing Planning issues last and taking Engineering and Maritime matters first.

EXECUTIVE DIRECTOR'S REPORT

Mr. Gartland announced upcoming Sister Port Conference which will be held in Shanghai in September which Mr. Stone will attend, which will be studying land uses, as well as port problems. It is hoped both BCDC and State Lands Commission will be part of the San Francisco delegation.

Mr. Gartland reported very favorable meetings with the Chairman of Evergreen during the previous week, from which some very positive results can be expected.

A meeting with Todd Shipyard regarding capital improvements under the lease terms was also noted. Mr. Gartland stated there are major differences in this matter which may need to be resolved through arbitration or a court of law.

Following Mr. Gartland's report, Mr. Jim Jeffferson of Jefferson & Associates, design consultants for Pier 30-32 , was introduced and gave a brief presentation regarding the progress of this project. Discussion followed regarding multiple uses for this pier and the Commission was advised that this is a major factor in its design.

MARITIME

Mr. Stone asked the commission to declare a state of emergency for the purpose expending monies at the South Container Terminal Pier 94/96. He explained that due to an unexpectedly high growth in cargo traffic both by Japan Lines and Evergreen there has arisen a need to change the gate configuration at the South Terminal in order to alleviate the traffic congestion. It was determined that an amount not to exceed $600,000 would be required to make this needed change. Following discussion, the following action was taken.

ACTION: By motion of Commissioner Chang, seconded by Commissioner Halsted, approved unanimously.

FINANCE & ADMINISTRATION

Dr. Coleman presented Renee Jones with a proclamation acknowledging her inestimable contribution in the Collections Department, and remarked that her efforts certainly should have earned the City-wide award for which the Port had nominated Ms. Jones. Dr. Coleman reiterated the praise stated in the proclamation; Renee accepted and thanked the Commission .

Mr. Conrad presented four financial reports to the Commission, requesting approval on the Refunds and Allowances in the amount of $328,579 for the month of July. Discussion followed with reference to this report.

ACTION: It was then moved by Commissioner Chang, seconded by Commissioner Rudden, passed unanimously.

Further discussion followed regarding the Sales and Rental report and the increase in revenues reported of 11% from the Fisherman's Wharf area.

Mr. Conrad next requested Commission approval of a supplementary appropriation to fund an approved reclassification which was inadvertently omitted from the budget.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, passed unanimously.

Commission next approved the non-civil service appointments for the month of July by unanimous vote.

PROPERTY

The commission was asked to approve licenses with the exception of License 11016 for Stanford Hospital pending receipt of a signed agreement.

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Halsted, approved unanimously.

Ms. Schimke next asked the Commission to consider the matter of the Ocean Beach Outfall Constructors tenancy on a month-to-month basis. This lease expired in June and in view of the outstanding facility damage claims, Ms. Schimke recommended against an extension of the lease; suggesting a holdover tenancy on a monthly basis instead. Commissioner Chang questioned the language of the letter sent to Ocean Beach on June 24, stating it could be misconstrued as an implicit agreement allowing Ocean Beach their continued occupancy. Staff agreed and asked to withdraw the matter. Staff was further advised to be certain in all correspondence, as well as verbally, that all agreements are subject to final approval by the Commission and should be so stated therein.

The Commission was next asked to approve an assignment of a sublease of Roberton & Schwartz to J and H Marine and Industrial Engineering Company.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Halsted, approved unanimously.

PLANNING

The Commission was asked to consider a request by MetropolitanTransportation Commission to fund a portion of peninsula freight rail study in the amount of $25,000. Discussion followed, and it was the consensus of opinion to support such a study and therefore to approve this expenditure.

Commission next considered the matter of accepting the Carol M. Brown Study on Fisherman's Wharf Infrastructure. Commissioner Chang expressed concern about the list of matters which were beyond the scope of this study and Rossi assured the Commission this was the next phase in this lengthy process.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Chang, passed unanimously.

Dr. Rossi next requested approval to formulate a small, broadly based Advisory Group for the prupose of providing review and comment on planning and design of the Pier 45 and Hyde Street Pier development projects. Commissioner Halsted commented that this was an excellent suggestion, but asked the paragraph headed "responsibilities" in Attachment B be reworded to be less "preachy". With this change , Commission took the folowing action.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, passed unanimously.

Dr. Rossi next requested approval of the Commission to solicit statements of qualifications from qualified individuals, firms, teams and organizations for the conduct of consulting services in accordance with a Request for Qualifications.Rossi indicated there would be a major effort to reach all qualified disciplines, with an emphasis on including all minorities.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, passed unanimously.

The final item under Planning was an informational presentation on the Request for Proposals for Pier 45 and Hyde Street Pier. Rossi indicated Port staff and fisheries and proposal consultants will be meeting with the five "shortlisted" development teams during the next week to receive feedback on the Pier 45 offering and to answer questions about the project and the proposal.

Commissioner Chang asked about the scoring process and Rossi explained the method that would be used. The final draft of the Request for Proposals will be back at the next Commission meeting.

ENGINEERING

The Commission was informed that the Port's dredge and mud-scows have become obsolete and have been idle for the past two years. It was therefore requested Commission authorize the sale of this equipment.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, passed unanimously.

Captain Osborne requested approval of a contract modification with Ferma Corporation to make final payment and accept all work for the ICTF paving and grading.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Rudden, passed unanimously.

NEW BUSINESS

Commissioner Chang introduced a matter in which the Chamber of Commerce would seek Port support. It was decided this matter would be on the next Commission agenda for consideration.

LEGAL

An executive session was held for discussion of CCSF v. F V MJB, US District Court No. C-85-7755 AJZ ARB. It was the decision of the Commission to settle in the amount of $1,375.

The meeting adjourned at 12 Noon.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF THE MEETING
OF WEDNESDAY, AUGUST 27, 1986

The Port Commission of the City and County of San Francisco met in regular session at 10 o'clock a.m. Wednesday, August 27, 1986 in the Ferry Building, Suite 3100.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
William Chang, Member

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ABSENT: James R. Herman, Member
Anne Halsted, Member

Also present were Eugene L. Gartland, Executive Director, Jack Conrad, Art Osborne, Ron Stone, Angela Karikas, Vello Kiisk, Dorothy Schimke, Randy Rossi.

APPROVAL OF MINUTES

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Chang, passed unanimously to approve the minutes of the meeting of August 13, 1986.

EXECUTIVE DIRECTOR'S REPORT

Mr. Gartland reported the visit from the Republic of China (Taiwan) of corporate representatives, and a signing ceremony of trade contracts with California suppliers which the Port hosted in the area of fourteen million dollars. Mr. Gartland announced an agreement was reached with the EISPC committee which will enable staff to provide a cost analysis of each Port facility to the Commission through our present system within a relatively short period of time.

Another matter discussed was the use of Port property at Marin and Tennessee Streets for towing of abandoned vehicles. This area will be utilized on an emergency basis by Department of Public Works to alleviate the serious problem of abandoned vehicles. In the interest of time, the Director accommodated the Mayor's request but a formal lease agreement will come back to the Commission for ratification for this interim arrangement.

FINANCE & ADMINISTRATION

Mr. Conrad requested Commission's approval of refunds and allowances in the amount of $140,756 for the month of July 1986, indicating that 47% was for revenue sharing and rental credit agreements Port is entered into; 49% was billing adjustments.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Rudden, passed unanimously.

Conrad next presented two other reports,Status of Accounts Receivables, and Sales and Rent Report for Commission review. Discussion followed regarding the increase in percentage rental revenues to the Port as shown in the Sales and Rent Report. Although some businesses were down, the majority were up - accounting for the increase.

4b) The Commission was next asked to approve a supplemental appropriation to fund a projected budget deficit which was caused by passage of a recent Charter amendment providing subsidy to surviving spouses of City employees.

ACTION: It was moved by Commissioner Rudden, seconded by Commisioner Chang, to approve Resolution No. 86-100, unanimously.

4c) Commission was requested to review and support implementation of Port's three year MIS plan by approving Resolution No. 86-102 which directs staff to cooperate with Controller's office in Port's conversion to the City payroll system; as well as converting to new systems utilizing the City's shared financial systems over a five year period, and developing only systems consistent with the City's systems. Commissioner Chang asked what advantages there would be for Port to interface with the City mainframe; Conrad replied there were none, insofar as staff was concerned at this point, and therefore the reluctance on staff's part to make the change now.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Rudden, to approve Resolution No. 86-102 unanimously.

PROPERTY

4d) Ms. Schimke presented five routine licenses for approval; discussion followed regarding the white zone licensing for The Yacht Club, dba City Yacht Club restaurant. Ms. Schimke explained this fee was replacement for the loss of revenue for removing one parking meter, thereby providing the white passenger loading zone.

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Chang, and approved unanimously.

4e) Approval of a sublease by Franciscan Gift Shop to R&K Enterprises Inc. for 1900 s.f. of space in the ground level of the Franciscan Restaurant.

ACTION: It was approved by motion of Commissioner Rudden, seconded by Commissioner Chang, passed unanimously.

PLANNING

5a) Dr. Rossi made a second informational presentation on Pier 45, submitting a Draft Request for Pier 45 and Hyde Street Pier, summarizing major aspects of the offering. He reported on the outcome of meetings held with the five "shortlisted" developers and fisheries and proposal consultants, citing a change in Port staff thinking , particularly regarding the size and number of rooms for the hotel, as well as other changes, e.g., the festival hall, institutional site, etc. It became apparent there was a need to better define what is meant by a festival hall, and size of institutional site. Commmissioner Chang inquired about the scoring system, questioning the need for applying numbers to such a "subjective" undertaking. "Conceptually, I have difficulty with this method",stated Chang. Rossi opined that it was a necessary mechanism to forestall any possibility of favoritism or intimation of partiality. Mr. Gartland suggested this was similar to the procedure used by the Redevelopment Agency, as well as other government agencies.

Dr. Coleman inquired about the restriction governing proposed developers which precludes contacting any members of the Port Commission regarding the proposal, directly or indirectly, except under Port sponsored presentations. Dr. Coleman felt this was unnecessarily restrictive. The intent was not to restrict Commission-initiated contacts but rather to control the selling by a developer through contact or through the political arena, thereby exercising pressure on a Commissioner.

The proposed schedule for the entire process was also discussed. Appointments to the Advisory Committee were still being reviewed, with final selection for next week.

5b) Alec Bash, Project Manager for the City Planning Department, presented a second report on the status of the Mission Bay project, as well as explaining in detail alternative locations for container terminal expansion on the southern waterfront. Discussion followed regarding the various alternatives which are being considered, as well as the proposed schedule for this project.

5c) This item was withdrawn from consideration due to the deadline of August 25 having passed, as well as the determination that such a request for support should more appropriately have been directed to the Board of Supervisors.

LEGAL

Commission convened in executive session for purposes of discussing a contract amendment to the Deets and Associates contract, and approved said amendment in the amount of $150,000.

There being no further business, the meeting adjourned at 11:25 A.M.

SAN FRANCISCO PORT COMMISSION
MINUTES OF THE MEETING
OF WEDNESDAY, SEPTEMBER 10,1986

The Port Commission of the City and County of San Francisco met in regular session at 10 o'clock a.m. Wednesday, September 10, 1986 in the Ferry Building, Suite 3100.

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PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
Anne Halsted, Member
James R. Herman, Member
William H.C. Chang, Member

ABSENT: None

Also present were Eugene Gartland, Executive Director, Ronald Stone, Director, Maritime, Jack Conrad, Director, Finance, Captain Osborne, Director, Engineering, Angela Karikas, Deputy City Attorney, Vello Kiisk, Chief Engineer, Dorothy Schimke, Property Manager, Dr. Randall Rossi, Planning Consultant.

APPROVAL OF MINUTES

Action: The minutes of the meeting of August 27, 1986 were approved with one correction - under the Executive Director's Report, the word "People's" was deleted - by motion of Commissioner Halsted, seconded by Commissioner Chang.

EXECUTIVE DIRECTOR'S REPORT

Mr. Gartland indicated he had met with State Auditors who will begin their audit within the week, with the scope of the audit being broadbased. Mr. Gartland stated the Budget Analyst' office has questioned our declaration of emergency in the matter of redesigning the gate at Pier 94/96 and sought Commission assistance at the Finance Committee hearing on this matter to convince the Board of the importance to our clients to alleviate the traffic congestion.

FINANCE & ADMINISTRATION

Commission was asked to approve the non-civil service appointments and separations for the month of August 1986.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Chang, passed accordingly.

The Commission considered the 1985-86 Management by Objectives Program Performance Assessment and discussed ways in which to improve certain department's actual attainments. Commissioner Halsted expressed concern about the Maintenance Department not meeting some of its objectives; Osborne explained that changing needs dictated substitutions, e.g., the replacing of pilings at Pier 45 rather than wrapping pilings, with the MBO's suffering because of that. Commissioner Chang inquired how and if these objectives are disseminated to every staff level, rather than being something only Port management is aware of. Commissioner Chang articulated the need to develop an incentive and performance criteria program based on these objectives. Discussion followed regarding implementation of these suggestions.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Chang, to pass Resolution No. 86-104.

Mr. Conrad next asked the Commission to approve a Memorandum of Understanding between Port and Controller's Office Internal Audits Division, which authorizes that office to assume responsibility for auditing Port's percentage rental tenants. After discussion involving a number of points including whether or not the Port's position would be compromised in a lawsuit and the loss of control by the Port as to who shall be audited, the Commission took the following action.

ACTION: It was moved by Commissioner Herman, seconded by Commissioner Halsted, to pass Resolution No. 86-107.

Mr. Conrad assured the Commission his department would closely monitor the cost and efficiency under this arrangement to be certain the Port is getting the service it has contracted for with IAD.

COMMERCIAL PROPERTY

Ms. Schimke presented six licenses for approval, with a brief explanation in the matter of Ocean Beach Outfall Constructors and DPW's licensing of SWL 354 for auto towing.

ACTION: It was moved, seconded and passed unanimously.

PLANNING & RESEARCH

Dr. Rossi presented a third revised, draft Request for Proposals for Pier 45 and Hyde Street Pier, specifying the areas in which change or augmentation occur. These included completion of the background chapter, goals and objectives restated, the offer to negotiate exclusively, and finally, a description of the physical submission requirements.

Following Rossi's presentation, representatives from the fishing industry and local environmental groups asked for postponement of this matter in order to have ample time to review the latest revisions. Tenants and merchants in the Fisherman's Wharf area expressed concern that the proposed major hotel will cut into their tourist business.

Commissioner Chang opined that too many restrictions in the Proposal document would dissuade potential developers from submitting a proposal and the project would never begin.

After further discussion, it was the decision of the Commission to convene in a special meeting on Tuesday, September 16, at 1:30 p.m. for review of the most recent revised draft of the Request for Proposal for Pier 45, and vote on this matter.

ENGINEERING

Captain Osborne reported on the progress of three projects: San Francisco Container Terminal North improvement contract, SFCT North, Shed C removal, and the improvements to the entrance of SFCT South. He indicated quite a large amount of work has been accomplished at Pier 94/96 with our own maintenance crew, but that a good deal depended on the declaration of emergency being approved so that this project could continue on schedule.

EXECUTIVE SESSION

Commission withdrew to executive session for discussion of the case of Bealy v. City and County of San Francisco, as authorized under Calif. government code sec. 54956.9(a), as well discussion of CCSF v. SWL 321, San Mateo Sup. Ct. No. 818-677.

Commission approved settlement of the case of Bealy v. CCSF in the amount of $10,000. Following discussion, no action was taken in the matter of CCSF v. SWL 321.

NEW BUSINESS

Dr. Coleman referred to a draft of rules and regulations of the Port Commission which he, in response to Commissioner Halsted, has submitted to other members of the Commission. He asked the Commission to review the draft, and give him their comments. Following this, he suggested the rules would be calendared on the agenda for formal adoption within the next month.

There being no further business, Commission moved unanimously to adjourn. 11:30 A.M.

SAN FRANCISCO PORT COMMISSION
MINUTES OF THE MEETING
OF TUESDAY, SEPTEMBER 16, 1986

The Port Commission of the City and County of San Francisco met in special session at 1:30 p.m. Tuesday, September 16, 1986 in the Ferry Building, Suite 3100.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
William Chang, Member
Anne Halsted, Member
James R. Herman, Member

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ABSENT: None

Also present were Eugene L. Gartland, Ronald Stone, Jack Conrad, Captain Osborne, Angela Karikas, Vello Kiisk, Dorothy Schimke, Randall Rossi.

Dr. Coleman stated the special purpose of the meeting, which was to consider the request to approve issuance of the Request for Proposals for development of Pier 45 and Hyde Street Pier projects. This matter is a continuation from the meeting of September 10 during which the Commission decided to postpone a decision to allow further review time of the subject document, and the addition of a proposed change by Commissioner Chang, requesting developers to submit an economic analysis with and without the festival hall.

Dr. Rossi enumerated the individual and community objections received on the most recent revised RFP draft, indicated how staff has met these concerns, or how they propose to answer them in the final document. In Rossi's assessment, none of these were new concerns but rather were ones which staff had been diligent about resolving.

In this regard, Dr. Coleman invited the public to speak to these matters. Ms. Denise Hinkle, Executive Director, Telegraph Hill Neighborhood Center, presented a letter to the Commission from her organization, and signed by members of four other neighborhood associations also. The essence of their concern centers on the lack of assurance in the draft RFP that "the Port is committed that the commercial development of Pier 45 will pay for needed improvements for the fishing industry".

Dr. Coleman commented that both the Commission and staff are aware of the gap in funding the Hyde St. Pier over and above the revenues generated by Pier 45 development. Dr. Rossi added that during the next few months staff would be putting together a team and working through a preferred concept plan for Hyde St. Pier and funding mechanisms. Cost estimators, financial planners, as well as the California Coastal Conservancy will be utilized as a resource to help identify funding sources to meet the gap.

Commissioner Halsted offered the following language for incorporation directly into the introduction to the RFP or in the transmittal letter to communicate the Port's firm commitment to the fishing industry:

"Should responses to this RFP and other appropriate funding sources not result in sufficient funding to accomplish the desired improvements to the commercial fishing facilities at Fisherman's Wharf, the Port reserves the right to abandon and/or change this project".

Commissioner Chang averred that the RFP already contained a provision whereby the Port retains the right to sever or reject all offers as a discretionary right. Deputy City Attorney Karikas cited this language on page 51 of the RFP, stating this would include Commissioner Halsted's concern without creating any ambiguity as to the rights of the Port to withdraw the RFP.

It was the Commission's decision following this discussion to approve the issuance of the Request for Proposals for Pier 45 and Hyde St. Pier projects, with its present revised changes.

Commission will restate its commitment to the fishing industry by reissuing present policy statements and if necessary, amplify these statements.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Herman, passed unanimously to approve Resolution No. 86-106, subject to any further changes made by staff, as to form.

LEGAL

Commission convened for the purpose of meeting in executive session to discuss the case of City and County v. Rempp , Superior Court No. 815-693, a matter of pending legislation.

Commission reconvened and it was announced that it was Commission's decision to settle the matter in the amount of $83,810.71 to be paid by Rempp to the City and County of San Francisco.

The Commission adjourned at 2:10 P.M.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF THE MEETING
OF WEDNESDAY SEPTEMBER 24, 1986

Port Commission of the City and County of San Francisco met in regular session at 10:00 o'clock a.m. in the City of San Francisco 3100 Ferry Building.

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PRESENT: Dr. Arthur H. Coleman, President
Anne Halsted, Member
William H. C. Chang, Member

ABSENT: James J. Rudden, Vice President
James R. Herman, Member

Also present were Eugene L. Gartland, Ron Stone, Art Osborne, Angela Karikas, Ben Kutnick, Dorothy Schimke, Vello Kiisk.

APPROVAL OF MINUTES

ACTION: Minutes for two meetings - the regular meeting of September 10, 1986, special meeting of September 16, 1986 were approved unanimously by motion of Commissioner Halsted, seconded by Commissioner Chang.

EXECUTIVE DIRECTOR'S REPORT

Mr. Gartland read an article from the Journal of Commerce newspaper on the application of Denver-Rio Grande Railroad to use Southern Pacific track which he said was good news for the Port of San Francisco. Commissioner Chang cited another article from the Wall St. Journal regarding the same topic which reported Rio Grande supporting the merger between SP and Santa Fe before the ICC. Should agreement be reached by Southern Pacific, Santa Fe and Union Pacific, this would allow SP to go before the ICC showing there is no opposition to the merger. Mr. Gartland agreed with Commissioner Chang that it looked very optimistic.

FINANCE & ADMINISTRATION

4a) Mr. Kutnick presented two financial reports - Statement of Expenditures and Sales and Rental Report for June, and July 1986. Discussion followed regarding PG&E revenues and conversions. It was noted that basically PG&E rate increase was less than anticipated, leading to an increase in revenues, due to the fact that conversions to PG&E by Port tenants slowed down.

Commissioner Chang queried Kutnick about the criteria used for determining which tenants to audit; the reply being those with the highest exposure (most revenue to the Port) as well as those tenants with which problems have been experienced. Commission also inquired who would determine those to be audited when Controller's office takes over the auditing. Mr. Kutnick averred it would be the Controller's office with significant input from the Port, stating he feels comfortable with this arrangement, having established a good rapport with this office.

Commissioner Chang reiterated his strong feeling that the Port should retain control of who gets audited. Kutnick acknowledged that although the authority to make the final determination would not be the Port's, he did not anticipate any real problems because of past good relations with the Controller's Audit Division.

Commercial Property

Ms. Schimke asked the Commission to approve five new licenses for space located in the World Trade Center, Pier 33 and in the Ferry Building. The Commission approved these licenses by unanimous approval, and requested in the future that Ms. Schimke include any tenant improvement allowances.

PLANNING & RESEARCH

5a) The Commission was asked to amend the contract with Bendix Environmental Research for environmental services in the amount of $188,335.00 in order to continue the work related to Pier 70 and Pier 98. President Coleman questioned whether all HRC requirements have been fulfilled and was assured that these have been complied with.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Chang, approved unanimously to amend the contract under Resolution No. 86-113.

MARITIME

ENGINEERING

7a) The Commission accepted as final the work under Contract No. 2527 for demolition and removal of Shed C at Pier 80 and authorized payment to Ferma Corporation in the amount of $151,031.35.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Halsted, approved unanimously to pass Resolution No. 86-112.

NEW BUSINESS

Dr. Coleman informed the Commission that he had learned of recent changes in the Brown Act which will impact on the proposed rules and regulations for the Port Commission. These changes will be circulated and a discussion of the rules will be calendared for the second meeting in October.

LEGAL

The meeting adjourned to executive session for discussion of City and County vs. SWL 221, San Mateo Ct. No. 818-677,818-619. The Commission then reconvened and announced a settlement has been reached between the Port and SWL 221 by which $50,000 will be paid to the City and the City will acquire all soils and archaeological reports for the property.

The Commission adjourned at 10:45 a.m.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF THE MEETING
OF WEDNESDAY, OCTOBER 8, 1986

The Port Commission of the City and County of San Francisco met in regular session at 10 o'clock a.m. on Wednesday, October 8, 1986 in Room 3100 Ferry Building.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
William H. C. Chang
Anne Halsted
James R. Herman

ABSENT: None

Also present were Eugene L. Gartland, Ronald Stone, Jack Conrad, Arthur Osborne, Angela Karikas, Dorothy Schimke, Vello Kiisk, Randall Rossi.

APPROVAL OF MINUTES

The minutes of the meeting of September 24, 1986 were approved in the following action:

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Chang, passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Mr. Gartland detailed meetings with the Deputy Minister of Communications, People's Republic of China and other government officials which took place over the past week. Mr. Gartland felt the cordiality and warmth he had encountered was a barometer of the next month's meetings in Beijing with the Ministry of Communications. Mr. Gartland indicated that unlike our own country, the Ministry of Communications has control of a number of activities, such as all the shipping companies, COSCO, all terminal companies, and all the ports.

Another delegation from the Port of Shanghai also visited the Port and was given a tour of our facilities by Dr. Rossi.

Mr. Gartland announced to the Commission that November 13 would be Israeli Night at the World Trade Club. The Port will lend its support to promote the endeavors of our tenant, Zim Lines, in hopes of encouraging use by local businesses of Zim Lines, either from the Mediterranean to the West Coast, or from San Francisco to the Orient.

Mr. Garltand called on Dr. Rossi to acquaint the Commission with the proposal pending before the States Landmarks Committee to designate a structure located on Port property at the Fourth Street brdige (presently used as Blanche's Restaurant) as a State landmark. Staff

indicated its concern about the restrictions which would be imposed on the land for future use if such a designation was made. It was noted that both the interior as well as the exterior of the building would have to remain intact. Commissioner Halsted opined that some discussion between the Landmarks Board and the Port Commission should take place before that Board meets on October 15 to consider this matter. Dr. Rossi was asked to convey the message to the Landmarks Board that Port staff as well as a designated Commissioner would like to meet with them for purposes of discussion.

FINANCE & ADMINISTRATION

a) Mr. Conrad requested Commission action on the refunds and allowances in the amount of $150,980 for the month of August, 1986. It was moved by Commissioner Halsted, seconded by Commissioner Chang, and approved unanimously.

A second report was presented on the status of accounts receivables and Commissioner Chang inquired as to the procedures involved in settlement negotiations, and who is involved in these negotiations. Discussion ensued regarding the differences of opinion between the City Attorney's office and the Port on disposition of cases in legal status, especially when an account was deemed virtually uncollectible. Commissioner Chang pointed out that the legal cost of pursuing such cases to the Port may well exceed the ultimate amount collected.

The Chairman suggested the Executive Director should invite the participation of the newly appointed City Attorney to discuss these matters in executive session.

b) Commission was requested to approve the non-civil service appointments and separations for the month of September 1986.

ACTION: It was so moved by Commissioner Halsted, seconded by Commissioner Chang, and unanimously approved.

COMMERCIAL PROPERTY

c) Ms. Schimke asked for Commission approval of License No. 11154 with Margaret Kitamura dba The Executive Connection for space in the World Trade Center. Commission so approved.

License No. 11167 was withdrawn pending resolution of certain issues pertaining to this license.

d) Commission was asked to authorize the advertisement for bids for lease of a boatyard and marine center located on Seawall Lot 345. City Attorney advised deferral of this matter until such time as her office reviewed and approved the lease document.

Commissioner Chang objected, indicating that such a delay would be too costly, in his opinion, and suggested the Commission approve the matter, subject to City Attorney's approval. Discussion followed as to the weight and substance of any changes. Mr. Gartland suggested the Commission should approve the lease as is, subject to any changes being made by counsel within the next five days, and if said changes are substantive ones, call a Special Commission meeting next week to review these changes.

ACTION: Commissioner Halsted made a motion to approve, subject to City Attorney's approval, absent any substantive changes; should changes be substantive, a Special Meeting is to be called to review these changes. This motion was seconded by Commissioner Chang, and passed unanimously.

e) Commission was next requested to approve an amendment to the Borruso lease for Borruso's Lighthouse. Commissioner Herman inquired if there were any prohibitions to an assignment of this lease. There being none, the following action took place.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Rudden, passed unanimously.

NEW BUSINESS

Mr. Stone spoke briefly on the impending trip and of the members of the delegation to Shanghai. He listed Ken Cory, State Controller; Claire Dedrick, State Lands Commission Director; Alan Pendleton, Director, BCDC; and Michael Lai, Hibernia Bank as part of this group. It was his belief that the attendance of these particular people would provide them the opportunity to see and understand how other worldwide ports operate in comparison to the constraints under which our port operates.

There being no further business, the meeting was adjourned by unanimous vote at 10:55 A.M.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF THE SPECIAL MEETING
THURSDAY, OCTOBER 16, 1986

The Port Commission met in special session on Thursday afternoon, October 16, 1986 in Suite 3100, Ferry Building.

PRESENT: Dr. arthur H. Coleman, President
James J. Rudden, Vice President
James R. Herman, Member
William H.C. Chang, Member

ABSENT: Anne Halsted

Also present were Eugene L. Gartland, Roger Peters, Arthur Osborne, Angela Karikas, Dorothy Schimke, Vello Kiisk.

MARITIME

1. The Commission considered the matter of granting a license to Canron Construction Corporation for use of the valley portion of Pier 30/32 for storage of imported steel for construction of a new building located at 1st and Mission Street.

   ACTION: It was moved by Commissioner Chang, seconded by Commissioner Rudden, approved unanimously.

2. The Commission next discussed the matter of modifying the Management Agreement with Marine Terminals Corp. to permit operation at any unassigned terminal space in the Port.

   ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Chang, and passed unanimously.

ENGINEERING

1. Mr. Gartland asked the Commission to consider the matterof Contract No 2542 for which bids were received for wharf yard improvement work at Pier 80. In light of recent reversals in the shipping industry and the departure of a major shipping line, it was the recommendation of the Director to reject all bids and postpone this project until a future time.

The president asked for comment from the public. A representative from Morrison-Knudsen (the low bidder on the contract) Mr. Thomas Hedges protested this action by the Port, stating his opinion that deferral of this project could only result in accelearation of construction costs in the future, as well as an unreadiness to the part of the Port to accommodate a prospective new tenant.

Mr. Ramirez, representing West Bay Contractors, also spoke to this matter, citing the injustice this would inflict on the minority subcontractors and suppliers who were standing ready to participate in this contract.

Mr. Gartland indicated he had agonized at great length over this very difficult decision and President Coleman also indicated his empathy with the bidders although it was, in his considered opinion, part of the risk involved in the contractor role.

President Coleman further commented that he could not, in good conscience, justify spending $15 million of public funds on a capital improvements project that had no immediate user of the project. He believed that the shipping industry is in a recession and the possibilities of finding even a user in the near future is remote.

Commissioner Herman concurred that the shipping industry was depressed.

Mr. Fergus Moran of CS&B Stevedoring Co. commented that even more important than finding another co-user with his company for the terminal, is increased tonnage. When that occurs, the expansion can be done. His company can now handle all the business that is presently being generated and probably for some time in the near future.

ACTION: It was the motion of Commissioner Herman, seconded by Commissioner Chang to reject all bids and this motion was passed unanimously.

LEGAL

Commission withdrew to executive session for purpose of discussing settlement in the case of City and County v. Fomanek and settlement was approved in this matter.

There being no further business, the meeting adjourned at 4:30 p.m.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF THE MEETING
OF WEDNESDAY, NOVEMBER 12, 1986

The Port Commission of the City and County of San Francisco met in regular session at 9:00 o'clock a.m. Wednesday, November 12, 1986 in Suite 3100 Ferry Building, San Francisco.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice president
William H. C. Chang
Anne Halsted
James R. Herman

ABSENT: None

Senior staff present were: Eugene L. Gartland, Jack Conrad, Ronald Stone, Art Osborne, Angela Karikas, Dorothy Schimke, Randall Rossi, Vello Kiisk.

APPROVAL OF MINUTES

ACTION: It was moved by Commissioner Herman, seconded by Commissioner Chang, and carried unanimously to approve the minutes of the meetings of October 8 and 16,1986.

EXECUTIVE SESSION

The Commission convened in executive session for purposes of discussing the following:

CCSF v. MV EVERFORTUNE, US District Court No. C86-0140 WHO; MV FERNCROFT Incident;
Poulsen v. CCSF, Superior Court No. 828-070;
Unlitigated claims against Ocean Beach Outfall Constructors;
Delta Steamship v. CCSF, US District Court No. C84-3534, MHP.
William Brazil v. CCSF
At the conclusion it was announced that settlement was reached in these matters by the Port Commission.

The first matter to be discussed in public forum was the review and consideration of the Port Commission Rules of Order. President Coleman informed the Commission no action could be taken at this time not asked for Commission comment. Commissioner Chang inquired about other City Commissions as far as length of term for president and vice-president, and also about conditions for hiring outside legal counsel. President Coleman responded that most Commissions have a one year term for President; this Commission several years ago voted for a two year term for the President. Mr. Gartland stated that to hire outside counsel requires the consent of the Mayor and City Attorney.

Commissioner Herman asked for a clarification on the number of votes required when there are only three members present. It was the consensus that a majority (two/thirds) of those present would be required. This matter will be calendared for action for the meeting of December 12.

EXECUTIVE DIRECTOR'S REPORT

The Director reported a meeting with the Deputy Minister for Communications of Beijing, who essentially runs COSCO. He acknowledged the fact that since COSCO's arrival in 1982 at the Port there has been less cargo than anticipated from them. However, Mr. Gartland explained his discussions with Sino-Trans and Sino-Char. He emphasized how the Port of San Francisco could provide the edge for them in negotiating for increasing shipments as well as enlightening them to facts about the railroad merger between Southern Pacific and Santa Fe.

Mr. Stone next reported on the conference he had attended in Shanghai which was the first International Conference of Ports hosted by the Port Shanghai. The delegation from San Francisco composed of representatives from BCDC, as well as financial institutes. Mr. Stone indicated the presentations made by these delegates were widely attended. There will be another conference in 1988 to be held in San Francisco which will coincide with the Association of American Port Authority conference.

FINANCE & ADMINISTRATION

Jack Conrad presented a request for approval of refunds and allowances in the amount of $140,000, which was approved by motion of Commissioner Halsted, seconded by Commission Rudden, and unanimously carried.

The second matter presented from Commission approval were personnel transactions for the month of October, which were approved by motion of Commissioner Halsted, seconded by Commission Rudden, carried unanimously.

COMMERICAL PROPERTY

Ms. Schimke presented a number of routine licenses for approval, with some additional explanation pertaining to license no.'s 1169-11170- and 11176. License no. 11180 was deferred pending signature of all documents. Discussion followed testimony from a representative of Red & White Fleet who objected to granting a license to the Cable Car Advertisers Inc. on the grounds that this operation was adversely impacting traffic conditions at the Wharf, and in particular, impeding access to the Red & White Fleet tenancy. Ms. Schimke and Mr. Conrad acknowledged there has been a problem with congestion and it was hoped that by licensing the operation, some control would be provided. The situation will be closely monitored since the Commission was concerned that longtime tenants not be inconvenienced.

Ms. Schimke requested approval to grant permission to the Department of Public Works (Clean Water Program) for construction, operation and maintenance of a force main and outfall appurtenances at Pier 80. Discussion followed regarding an agreement which had been reached whereby the Port and the Clean Water Program mutually agree to allow the use of a railway right-of-way in exchange for use of adjacent area under Port jurisdiction.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Halsted, and carried unanimously.

MARITIME

Approval was requested of the Commission to contract with the firm of Garvey, Schubert, Adams and Barer for specialized legal counsel relevant to federally-regulated transportation matters. The amount of the contract for one year will be $29,000.

ACTION: It was moved by Commissioner Herman, seconded by Commissioner Chang, approved unanimously.

ENGINEERING & MAINTENANCE

Captain Osborne gave a brief update on the progress of work at the Pier 96 South Terminal gate improvements. Maintenance crews accomplished much of the work which was designed to improve the gate operation. Paving and striping work have been completed, and work is now being done on the changes requested by SSA to ensure an efficient operation. Bids for the Request for Proposals for the remaining work of the sign bridge and canopy were received. In view of the disparity between Port's engineering estimate and bids received, no award was made. There will be a review of our calculations and a paring down of design in order to stay within the $600,ooo limit for gatehouse improvement. Staff will bring these recommendations back to the Commission at the next meeting in December.

There being no further business, the meeting adjourned at 11:10 a.m.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF SPECIAL MEETING
TUESDAY, DECEMBER 2,1986

The Port Commission met in special session on Tuesday, December 2, 1986 in Suite 3100, Ferry Building, San Francisco for discussion and action on the following agenda.

The Commission convened at 9 a.m. and immediately withdrew to executive session for purposes of discussing the matter of City and County of San Francisco v. San Francisco Marine Center, SWL 345. At its conclusion, the meeting reconvened in open hearing and a settlement in this matter was announced by the City Attorney.

Commercial Property

Ms. Schimke asked the Commission to award a lease for a boatyard and marine center to the single bidder on this lease, the corporation of St. Francis Marine Center, principals of which are Michael Denman and Joseph V. Costello. The terms of the lease were discussed briefly and the Commission asked Mr. Costello to validate the $330,000 figure which was estimated for improvements. Following this discussion, Commission took the following action.

ACTION: Moved by Commissioner Chang to pass Resolution No. 86-124, seconded by Commissioner Halsted, approved unanimously.

MARITIME

Commission was requested to approve a modification to the terminal management agreement with Stevedoring Services of America to permit its operation at any unassigned terminal space in the Port. Discussion followed which disclosed a similar agreement with California Stevedore & Ballast Company would be sought in the future. It was Mr. Stone's explanation that this modification for SSA is needed to permit SSA to perform stevedoring work for two Hyundai ships which will be unloaded at Pier 30-32 in early January.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Chang, to pass Resolution No. 86-125 unanimously.

There being no further business, the meeting adjourned at 9:22 a.m.

In attendance at the meeting were the following:

Commissioners Coleman, Chang, Halsted, Rudden.

Absent was Commissioner Herman.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF REGULAR MEETING
WEDNESDAY, DECEMBER 10, 1986

The Port Commission met in regular session on Wednesday, December 10, 1986, at 3100 Ferry Building. The meeting convened at 10:00 a.m.

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PRESENT: President Arthur H. Coleman
James J. Rudden, Vice President
Anne Halsted, Member
William Chang, Member

ABSENT: James R. Herman, Member

Also present were Ron Stone, Jack Conrad, Art Osborne, Angela Karikas, Dorothy Schimke, Vello Kiisk, and Randy Rossi.

APPROVAL OF MINUTES: Commission approved the minutes of the meetings of November 12, 1986 and the special meeting of December 2, 1986.

A. President Coleman indicated this item would be postponed until the second meeting in January, as requested by Commissioner Halsted. Therefore the consideration of the rules and regulations for the Port Commission was not heard at this meeting.

B. The Commission next reviewed the dates for Commission meetings in the year 1987 and took the following action:

ACTION: Moved, seconded, passed unanimously to approve the proposed schedule of meetings for 1987.

PORT DIRECTOR'S REPORT

Mr. Stone, acting for Mr. Gartland, reported on the unit train and Evergreen cargo in conjunction with the Port's new intermodal container transfer facility. All results have been very encouraging with the promise of more cargo in the near future.

Jefferson & Associates, our design consultant for Pier 30-32, presented a brief informational update on the design treatment of the project. Mr. Jim Jefferson said they were in the schematic design phase and would be adhering to the San Francisco Waterfront Special Area Plan to preserve the historic integrity of the waterfront. He stated that the design would be one large structure with two structural systems in order to maximize efficiency. In order to preserve water views, a gradual tapering of the structure so that the building mass slopes off from The Embarcadero toward the Bay.

Discussion followed regarding the potential tenants for the building, and Mr. Stone indicated that two of the major tenants would be the Food and Drug Administration and the U.S. Customs agency, and hopefully, freight forwarders, as well as people involved in coffee and cocoa bean trade will be interested in occupying space.

FINANCE & ADMINISTRATION

Mr. Conrad presented four financial reports for Commission review and requested approval of refunds and allowances in the amount of $126,753.

ACTION: Moved, seconded, passed unanimously.

Discussion followed on the sales and rental report, with Mr. Conrad indicating that through the first quarter of the year, all categories are up with total sales reflecting a 3% increase resulting in increased revenues to the Port over last year in the same period.

Mr. Conrad next asked for approval of personnel transactions for non-civil service employees, and it was moved by Commissioner Halsted, seconded by Commissioner Chang, and unanimously approved.

COMMERCIAL PROPERTY

Ms. Schimke presented a list of 13 licenses for approval by the Commission and gave a brief explanation of license nos. 11189-90 and 92. The Limbach license will work in conjunction with this law firm's lease in order to expand and integrate their leased area, and will require a minimum of $250,000 in improvements to the licensed space. Commissioner Halsted asked that it be made clear that by approving this license for $1 per month there was no tacit approval being granted for a lease that has yet to be reviewed. Mr. Sutton of this firm assented.

The Commission President asked staff to provide a detailed map or diagram for reference purposes when licenses are submitted for approval. It was readily agreed that this would clarify location of licensed areas for the Commission and would henceforth be provided. It was further requested by Commissioner Halsted to have all terms and conditions specified in writing The licenses as presented were unanimously approved.

Mr. Conrad requested the Commission postpone consideration of Item 4d at this time, and this was so granted. President Coleman stated it was his desire to set policy on leasing in the Ferry Building prior to approving any leases in a piecemeal basis. Therefore this matter will be deferred until such time as the Commission has approved such a policy.

. Rossi asked to withdraw the matter set forth in the addendum to the meeting which asked the Commission to grant exclusive right to negotiate with Gordon Chong for expansion of the Pier 35 terminal. He asked instead that the Commission consider writing a document in support of Mr. Chong's work in the design of this expansion indicating Port's willingness to continue to work with them in determining the feasibility of this project.

Commissioner Halsted asked that any letter the Commission authors reflect two issues. One it will be the Port Commission's responsibility to define and determine this project, and secondly, it is anticipated there will be a review and selection process involved before a final choice is made of a design or developer.

Dr. Rossi said he would inform the Executive Director of Commissioner Halsted's concerns. Dr. Coleman asked Gordon Chong if he wished to address the Commission on his firm's progress with this project. Mr. Chong informed the Commission that his firm has met with various government regulatory agencies as well as concerned community groups regarding the feasibility of this project. He also emphasized the importance of receiving a letter of support from the Commission for his efforts.

ACTION: It was moved by Comissioner Halsted seconded by Commissioner Chang, and unanimously approved to write a letter of support for Gordon Chong's continued work on the Pier 35 cruise terminal

MARITIME

6a) Mr. Stone asked for an amendment to the Zim Container Service Agreement in order to establish a special wharfage rate applicable only to by-pass containers of $32.00 per container. This special arrangement is sought in order that Zim may retain the desired level of service for its customers and the Port can continue to earn reasonable wharfage on local cargo carried by Zim.

ACTION: It was moved by Commisioner Chang, seconded by Commissioner Halsted, and unanimously approved.

6b) Commission was next requested to amend the Operating Agreement with California Stevedore & Ballast to provide this firm a standard 40% reduction of tariff charges for Port-authorized vessel operations at unassigned facilities. A similar agreement was approved for Marine Terminals as well as for Stevedoring Services of America.

ACTION: It was moved by Commisioner Chang, seconded by Commissioner Rudden, and approved unanimously.

6c) The next matter was a request to terminate license no. 11176 with Sea Products at Pier 90 which has been permitted use of this area erroneously while this area is leased to another tenant. A representative of Sea Product asked to address the Commission in the hope of being allowed to continue occupancy of the area. It was explained that this was not possible but the Commission directed staff to try to accommodate Sea Products at another Port location.

6d) Commission was asked to approve the modification of a license with Westerm Rim for CFS work at Pier 90 and it was so moved by Commissioner Rudden, seconded by Commissioner Chang, and passed unanimously.

6e) This item was withdrawn until the next meeting due to incorrect information being furnished in its preparation.

6f) This item was deferred until the next meeting.

ENGINEERING & MAINTENANCE

7a) Commission was asked to authorize final payment for work under contract no. 2526 for lighting and electrical work at Pier 80, Shed C to Brayer Electric Company in the amount of $439,721.

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Chang, and passed unanimously.

7b) Commission was asked to authorize a request for supplemental appropriation of $100,00 to finance handicap access improvements at various locations at the Port.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, and passed unanimously.

7c) Staff requested authority of the Commission to submit a request for supplemental appropriation for $100,000 to replace and renovate Ferry Building doors in order to comply with Building Code exit requirements, Port Fire Marshal Fire Safety recommendations, and State Code requirements for access by physically handicapped persons.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Rudden, passed unanimously.

7d) Capt. Osborne presented the Commission with a request to award a contract to a minority business enterprise firm for remaining construction work to modify the gate entrance at the SF Container Terminal at Pier 94/96.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Rudden, passed unanimously.

7e) Captain Osborne presented the Commission with the Port of San Francisco Regulations for Article 20, Analyzing the Soil for Hazardous Wastes, in compliance with the requirement to give public notice 15 days prior to adoption of said rules, regulations and guidelines. The Commission therefore took no action but will review said regulations, and formally consider these regulations at the first meeting in January 1987.

President Coleman asked the Commission to be excused, and the Chair was turned over to the Vice-President James Rudden who presided over the rest of the meeting.

The final item for Commission consideration was presented by Dr. Rossi at the behest of the Executive Director. It was an informational presentation detailing the role, regulations and policies of the Bay Conservation and Development Commission and the State Lands Commission, as these agencies interact and influence the use of Port lands. Dr. Rossi delineated the role of the State Lands Commission insofar as the Port was concerned, indicating its primary responsibility to be the administration on behalf of the citizens of the state the public trust doctrine with respect to public lands and publicly-derived revenues. The Port of San Francisco is a good example of granted lands since these lands were granted by the State to another body to administer. This is sometimes characterized as "reversionary interest" in that should the Port not act in accordance with certain policies or guidelines, the State could take back these lands. This grant was accomplished under the Burton Act in 1968 with a Transfer Agreement following immediately.

Commissioner Chang interjected with a query to Dr. Rossi about what the Transfer Agreement says about the Port becoming a department of the City of San Francisco. Rossi explained that this is an area which he himself has questions,in particular, how far the Port interfaces with the City government. Rossi asked the Commission's permission to explore this issue and present a written synopses to the Commission upon completion of his research.

Dr. Rossi next detailed the workings of BCDC as this agency relates to the Port, and explained its primary function as a regulatory agency with two-fold responsibility. The first to stop unnecessary filling of the Bay and the second is to achieve public access around the Bay.

Concluding his presentation, the Commissioners thanked Dr. Rossi for his insight and informative briefing, and suggested the possibiity of his making this same presentation to other City Commissions, as well as the Board of Supervisors.

There being no further business, Acting President Rudden asked for a motion to adjourn. It was so moved by Commissioner Halsted, seconded by Commissioner Chang, and carried unanimously. The meeting adjourned at 12Noon.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF REGULAR MEETING
WEDNESDAY, JANUARY 14, 1987

The Port Commission met in regular session on Wednesday, January 14, 1987 at 3100 Ferry Building, San Francisco. The meeting convened at 10 o'clock a.m.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
William Chang, Member

ABSENT: Anne Halsted, Member
James Herman, Member

Also present were Ronald Stone, Jack Conrad, Captain Osborne, Angela Karikas, Dorothy Schimke, Vello Kiisk.

APPROVAL OF MINUTES

Commission approved the minutes of the December 10, 1986 meeting by motion of Commissioner Rudden, seconded by Commissioner Chang, unanimously carried.

EXECUTIVE DIRECTOR'S REPORT

Mr. Stone, acting executive director in Mr. Gartland's absence, reported things at the Port as calm and serene, with design work on the project at Pier 30-32 proceeding well, although timing on the project has slipped somewhat, with completion delayed from March 1988 to late summer of 1988. Stone indicated one of the first agreements for tenancy at Pier 30-32 would be considered on the agenda for today's meeting - that of the Federal Food and Drug Administration. He also reported progress on the dredging work at the South and North Terminals which should commence about March 1 to accommodate the needs of our carriers.

FINANCE AND ADMINISTRATION

Mr. Conrad, Director for Finance, presented four reports for Commission review and approval.

1) Sales and Rent Report for November 1986
2) Status of Accounts Receivable for November 1986
3) Refunds and Allowances for November 1986 totaling $115,441. (71% - $82,634 actual refunds in revenue sharing agreements, 16% or $18,526 are billing adjustments.)

ACTION: Commission moved to approve refunds and allowances in the amount of $115,441 by motion of Commissioner Chang, seconded by Commissioner Rudden, carried unanimously.

FINANCE & ADMINISTRATION (continued

4) Monthly expenditure and revenue summary through November 30, 1986. Summary indicates revenue is up approximately 7 percent.

The budget for fiscal year 1987-88 was formally presented to the Commission for its review. Mr. Conrad asked if the Commission wished to follow the same procedure as previous years, whereby staff met individually with each Commissioner for review and discussion of the budget, returning therewith on January 28 for Commission's formal discussion and acceptance. The Commission assented. It was therefore agreed the budget for 1987-88 would be calendared for the next meeting in January for discussion, adoption and submission by February 1, 1987.

4b) Commission next reviewed the personnel transactions report for the month of December, which covered two lay-offs due to lack of funds for temporary employees, and no hires.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Rudden, approved unanimously.

COMMERCIAL PROPERTY

4c) Ms. Schimke introduced a new member of her staff, Mr. Mike Wimpress, who will be joining the Property department as an assistant property manager. The Commission welcomed Mr. Wimpress to the Port.

Commission was then asked to approve licenses in the Ferry Building, World Trade Center, and at Piers 26 and 46b. Ms. Schimke submitted a diagram indicating the location of these licenses. Ms. Schimke explained the license for William Turnbull and Associates is less than the standard rate because this space is without heat. Dr. Coleman indicated his concern that the tenant would utilize portable heating for which the Port would have to pay. He cautioned staff to be cognizant of all aspects when negotiating special terms.

Following this, Commissioner Chang enquired what standards are being used to determine rental rates, and Ms. Schimke indicated it is one which was adopted in 1983 by the Commission and is used as a basis for negotiating rentals, depending on improvements and whether the space is exterior or interior. Staff will be making a survey of these 1983 standards and will come back to the Commission with a recommendation.

4d) Mr. Conrad next presented the Commission with a request to approve a lease of 25,400 s.f. of space in the World Trade Center with the architectural firm , Kaplan, McLaughlin & Diaz for a term of ten years, with two, five year options. He indicated this is space vacated by California Canners & Growers at the time of its bankruptcy in 1983. Conrad indicated that in light of the sizable investment ($1.2M in capital improvements) anticipated by KMD, and the fact that the Port is currently in litigation with Continental Development Corp. over the proposed Ferry Building Complex, the City Attorney strongly advised the Commission withdraw to executive session for discussion of this matter. Mr. Conrad completed his presentation of the lease proposal, stating there would be two long-

term tenants who would be displaced in order to accommodate KMD, or under other options, as many as six tenants would need to be relocated.

Dr. Coleman indicated his concern about the recapture terms ($1.6M) of the premises and felt a closed session was in order for discussion of this issue. Therefore, as specifically authorized under California Government Code Section 54956.9, subdivision (a), Commission withdrew to executive session for purposes of discussing what impact the proposed lease could have on the Continental Development litigation.

The Commission reconvened at 11:05 a.m. and the Deputy City Attorney reported no action was taken in this matter.

Mr. Donald Cahan, attorney for Mr. Paul Growald, testified in the above matter, stating his client alleges he has an agreement with the Port for lease of space which Mr. Conrad is proposing to offer to P.J. Rhodes (one of the long term lessees who will need to be relocated). He purports that this was agreed to at a meeting held on November 26, 1986, after eight months of negotiation with Port property representatives.

Dr. Coleman thanked Mr. Cahan but said there is no agreement until actually considered and approved by the Commission in formal hearings. He stated staff is empowered to negotiate but the actual approval must come from the Commission. Mr. Cahan reiterated his client's claim that he had been given assurance that his license would come before the Commission at the first meeting of January, and therefore felt the Port obligated to act in good faith in his regard.

ACTION: Commission Chang moved to defer any action on this proposed lease for two weeks, pending clarification of certain legal matters, and this motion was seconded by Commissioner Rudden, and carried unanimously.

4e) Ms.Schimke presented a request to approve an Estoppel Certificate to the Prudential Insurance Company of America by which the Commission consents to Blue Jeans Equities West encumbrance of its leasehold estate under License No. L-10388.

Commission Chang queried staff to ascertain that there is nothing contained in this document which would impose additional contractual obligations on the Port than what is actually in the lease, no changes in meaning or nuances from the original lease.

Deputy City Attorney Karikas assured the Commission the changes which she advised were to ensure conformity to the exact language of the lease, and to strike those portions which were additional.

ACTION: It was therefore moved by Commissioner Chang, seconded by Commissioner Rudden, carried unanimously.

PLANNING & RESEARCH

5a) Mr. Conrad asked the Commission to authorize acceptance of a grant of funds in the amount of $245,000 from the California Coastal Conservancy for assistance in building Pier 7, planning an entry plaza at Pier 7, and preparing a land use master plan for Pier 24.

Mr. Pat Flanagan, representing Fisherman's Wharf, asked if the Pier 45 project would receive assistance from this grant, since Port had agreed to include the Pier 45 proposed project when the grant was solicited. Mr. Conrad acknowledged he was unable to answer this query, but assured Mr. Flanagan Dr. Rossi would contact him in this regard.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Rudden, approved unanimously to pass Resolution No. 87-9 permitting the Port to accept the grant of funds from the Coastal Conservancy.

5b) Mr. Conrad requested Port Commission approval of a modification to the contract with Dr. Rossi in the amount of $23,200 to allow the Port to have prepared special studies and documents necessary to the Port, which work primarily consists of outside laboratory and testing services, and will be performed by MBE firms.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Rudden, approved unanimously.

MARITIME

6a) Mr. Stone requested approval of a ten year Terminal Revenue Sharing Agreement with South Seas Steamship Company which Mr. Stone stated could result in an increase in revenue to the Port of at least $125,000annually. He stated the first ship of this line would arrive in San Francisco in mid-January.

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Chang, and approved unanimously.

6b) Commission was next requested to approve a license agreement with Nippon Sharyo-USA, Inc. for office and storage space at Pier 50. It was explained that Nippon Sharyo is a Japanese firm which will be assembling rail cars for Cal Train at this location.

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Chang, and approved unanimously.

6c) The next matter was a request to the Commission to authorize the negotiation of a lease with Food and Drug Administration to relocate its inspection laboratory to the new Pier 30/32 facility.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Rudden, and approved unanimously.

ENGINEERING & MAINTENANCE

7a) Captain Osborne reported Sewer Repair Contract No. 2525 at the Ferry Building has been completed and asked for authority to make a final payment to the contractor in the amount of $162,073.00.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Rudden, carried unanimously .

7b) Commission was next requested to adopt the REGULATIONS FOR ANALYSIS OF SOIL FOR HAZARDOUS MATERIALS for construction improvements on Port property. Discussion ensued regarding the need for compliance by the Port with other City and State agencies, and the effective date for these regulations.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Rudden, approved unanimously.

LEGAL

8a) Commisison withdrew to execute session[California Govt.Code 54956.9, subdivision(a)],for purposes of discussing the matter of CCSF v. Continental Development Corp. Following this session, the Commission reconvened ; it was announced the Commission approved an amendment to the contract for services with Deets & Associates.

NEW BUSINESS

Dr. Coleman addressed the issue of the new time constraints imposed by changes in the Brown Act which require 72 hour posting of the Commission agenda rather than 24 hours. He emphasized staff should be certain to comply with this new requirement. He next asked that the Rules and Regulations for the Port Commission be calendared for the next Commission meeting, as well as indicating the date for the first meeting in September would be on September 10(Thursday) in lieu of September 9 as advertised, since this is Admission Day, and therefore a holiday.

There being no further business, the Commission adjourned at 12:05 P.M.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF REGULAR MEETING
WEDNESDAY, JANUARY 28, 1987

The Port Commission met in regular session on Wednesday, January 28, 1987 at 10 o'clock a.m. in Suite 3100, Ferry Building, San Francisco.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
William H. C. Chang, Member
Anne Halsted, Member
James R. Herman, Member

ABSENT: None

Also present were Eugene L. Gartland, Ronald Stone, Captain Osborne, Angela Karikas, Vello Kiisk, Jack Conrad, Randy Rossi.

APPROVAL OF MINUTES

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Chang, unanimously carried to approve minutes of the meeting of January 14, 1987.

EXECUTIVE DIRECTOR'S REPORT

Mr. Gartland reported on meetings with Evergreen Lines, citing internal organizational changes in the company, and suggesting the possibility of future changes in their trade routes, ports of call, etc. which could be beneficial to the Port. He then spoke of meeting with Alan Pendleton of BCDC with reference to legislation to be sponsored by BCDC which will allow the Port the use of its state lands for trust purposes. He indicated Dr. Rossi is working on this legislation in cooperation with BCDC, and a bill is expected to be introduced during the month of February. Gartland also informed the Commission of meetings with the Corps of Engineers regarding dredging of the entrance to the North and South Terminals. He indicated Colonel Perkins seemed amenable to working out a joint solution whereby the channel would be at 45° angles rather than the present 90°.

Mr. Gartland stated that a plan has been worked out with Dept. of Public Works and the Police Department to lease Pier 70 for storage of towed vehicles. He reported we would be receiving market rate for this property. The proposed lease will be brought to the Commission for review and approval within the next thirty days.

Discussion followed an announcement by Mr. Gartland regarding a Board of Supervisors' resolution urging the Port Commission to provide use of Pier 45 free of charge to the organizers of the Chinese New Year parade. Staff was directed to provide the Commission with additional facts in the matter to enable a fair and equitable decision to be made.

FINANCE & ADMINISTRATION

Dr. Coleman asked for Commission concurrence to defer discussion of Item 4a, and it was so agreed.

4b) Mr. Conrad presented three financial reports for review by the Commission, and asked for a motion to approve refunds and allowances in the amount of $964,796 for the month ending December 31, 1986.

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Chang, carried unanimously.

Discussion followed Commissioner Chang's enquiry about Lykes Lines' repayment schedule adjustment. Conrad assured the Commission the Port is receiving interest on this deferred payment, i.e., 1½% on the unpaid balance.

4c) This matter was deferred pending further legal clarification of the write-off policy, and President Coleman invited City Attorney Renne's participation at the meeting in February.

4d) Commission was asked to approve the proposed Operating Budget for fiscal year 1987-88. The recommended revenues are $34 million, vs expenditures of $33.4 million, with a surplus of $635,023, which figure is subject to salary standardization. Discussion followed referencing a request by Mayor's office for submission of a 95% incremental budget. Conrad indicated he identified five areas where a recommendation was recommended to satisfy this request to cut $1.6 million. The areas are as follows:

1)	Citywide overhead	$307,000
2)	Fireboat	$1 million
3)	Human Rights Commission	$ 71,000
4)	City Attorney fees	$ 40,000
5)	Insurance	$180,000

Commissioner Chang asked for an explanation as to how the Port could arbitrarily reduce its budget in only five areas, and Conrad explained although such a reduction was unlikely, these were the areas staff would recommend to be cut in the event such became a reality. It would be up to the Commission to make the final decision.

Commissioner Herman asked for confirmation that Commission action was being sought on a 100% budget, and not on a 95% one, and this was confirmed.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Halsted, carried unanimously to approve the budget as submitted.

COMMERCIAL PROPERTY

4e) License and lease nos. 11205,206,207,208,209,210 were reviewed and approved unanimously for locations in the Ferry Building, Agriculture Building, World Trade Center and Pier 35.

4f) A transfer of the Roundhouse lease to Westcap Investors Inc. was next considered by the Commission, and it was explained that in November 1985 the Roundhouse project was purchased by Westcap Investors Inc. and the Commission was today considering the approval of the amendment and assignment of the lease from the Roundhouse Investors to Westcap Heritage Investors Inc.

ACTION: It was moved by Commissioner Herman, seconded by Commissioner Halsted, carried unanimously.

4g) Approval of policy regarding development of the Ferry Building/ World Trade Center. This matter was deferred for discussion in executive session.

4h) Approval of lease with Kaplan, McLaughlin & Diaz for office space in the World Trade Center. This matter was deferred pending discussion in executive session.

PLANNING & RESEARCH

5a) Dr. Rossi presented a request to the Commmission for a policy statement on a proposed improvement program, funding and implementation thereof, to modernize the passenger terminal at Pier 35. Dr. Rossi presented a report done by Martha Seijas-Schwartz, staff member of the Maritime Department, addressing the issue of expansion of the terminal. Thrust of the study suggests the Port's $70 million a year cruise line business will be vulnerable to competition unless it moves to expand this facility. Rossi detailed the problems, including traffic congestion on sailing days, as well as antiquated facilities. Commmissioner Herman inquired if the Port is limited to Pier 35 for passenger ship accommodation, and Rossi indicated that this was not the case since the City's Master Plan states only "that no other pier should be considered unless it would prove infeasible to use 35". Herman asked if we "aren't approaching a point where it may very well not be feasible because of the horrendous traffic congestion?" It was then suggested some alternatives should be considered such as a move to Pier 50 as more practical and more feasible. Discussion followed regarding a possibility that Congress would lessen the Jones Act restrictions barring passage between two U.S. ports on liners under foreign flags.

Rossi specified that the Commission was being asked to issue a policy statement incorporating recommendations 1,2,3. Secondarily, this statement could incorporate recommendations 5 and 6. And finally, in the staff report, recommendations 7 and 8, which would select or identify a development entity that meets Port's qualifications.

Dr. Coleman suggested that what is needed is a policy statement by the Commission, from which staff would develop a resolution encompassing these recommendations.

Commissioner Chang interjected that the Commission should go further and direct staff and the Executive Director to identify specific developers and negotiate with the private developer and then come back to the Commission with a recommendation.

Deputy City Attorney Karikas objected to this procedure on the basis that this issue of an exclusive offer to negotiate has yet to be resolved and it was her understanding that a legal opinion would be sought on this issue.

Dr. Coleman indicated he felt Commissioner Chang, in order to get things moving, wished to issue a policy statement. Chang said he wished staff and the Executive Director to proceed with the negotiations with a private development entity and concurrently with the City Attorney brought into the process, move ahead to execute the process.

Commissioner Herman said he was not clear as to why the private development entity was necessary; Dr. Coleman suggested it was necessitated by the need to have a private developer raise the funds for such a development rather than funding by the POrt.

Commissioner Chang made the following motion:

> ACTION: Motion to adopt the report made by the staff as Port Commission policy, and instruct the Port Director to proceed and bring back to the Commission entities that could modernize the cruise ship passenger terminal, and accomplish the program. Motion was seconded by Commissioner Halsted, and carried unanimously.

Deputy City Attorney Karikas reiterated to the Commission that it be understood by them that this is still an open legal question, as to how to proceed and stated that if so directed, she would look into this question. Dr. Coleman agreed that this was understood and stated that when staff reported back to the Commission, Ms. Karikas's comments would be included.

5b) Rossi next gave a brief update on the planning, land use and regulatory issues relating to the southern waterfront and informed the Commission that the project director Alec Bash of the Mission Bay Project was present to give them an update on this project. Mr. Bash presented copies of the Mission Bay proposal for distribution to the Commission. At its conclusion, Dr.Rossi described for the Commission where our container terminal is presently designated to expand on the southern waterfront and where staff now proposes to expand as an alternative.

With the help of a brief slide show, he detailed the Mission Rock Terminal as proposed currently in contra t with the location of an expanded container terminal in the Pier 80 area. Both Commissioner Chang and the Executive Director agreed that staff should continue in this direction and explore the possibilities of this concept.

In commenting on the Mission Bay proposal, Commissioner Chang expressed his concern whether the maritime industrial use is compatible with the housing use of the same area. It was pointed out that the Port has retained a service lane for truck traffic in and out of the piers. Commissioner Chang adamantly cautioned that maritime needs be served without compromising public safety. He urged that planning and maritime departments work in close harmony to achieve both concerns.

5c) Dr. Rossi next requested approval of contracts for professional services with Ripley Associates, Moffat & Nichol, and Williams-Kuebelbeck for Hyde St. Pier conceptual design, engineering and financing in an amount not to exceed $262,000. Discussion followed and Dr. Rossi introduced the principal contractor Cynthia Ripley. There followed a discussion of the time frame of sixteen weeks to go from a concept stage to the drawing board. Rossi assured the Commission that staff would be diligent in adhering to this schedule. The Commission admonished staff to do so because any slippage in this schedule would be unacceptable unless the reason was not under the control of the consultant.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Halsted, and carried unanimously to approve Resolution No. 87-21.

5d) Commission was next asked to consider submittal of a resolution to the Board of Supervisors in support of Assembly Bill 45, authored by Assemblyman Agnos that would authorize the State Coastal Conservancy to conduct a feasibility study of a Fisheries Environmental Research Center at Pier 45.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Chang, and carried unanimously to support AB 45.

5e) Commission was requested to approve Resolution No. 87-17 which would adopt the Final Supplemental EIR which states the Commision's intent to undertake navigational channel improvements on the southern waterfront.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, and carried unanimously

6. MARITIME

7. ENGINEERING & MAINTENANCE

a) Commission was asked to accept the work in accordance with the agreement with Southern Pacific and Santa Fe for railroad access track realignment, and authorize payment and close-out of this contract in the amount of $180,000.

ACTION: It was moved by Commissioner Herman, seconded by Commissioner Rudden, and passed unanimously to approve Resolution No. 87-18

b) Commission was next asked to approve final payment to the contractor and accept work performed on the clean-up of Pier 70 of all hazardous wastes. Final payment for this contract with Chemical Waste Management, Inc. is $146,517.40.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Herman, and approved unanimously Resolution No. 87-19.

8. LEGAL

An executive session was announced for discussion of the following: CCSF v. Tarantino Fish Co., Items 4g) and 4h).

Mr. William Rus of Continental Development Corp. asked permission to read a letter from his organization into the record of the meeting pertinent to the matter of Ferry Building Complex renovation. Dr. Coleman accepted the letter from Mr. Rus and indicated that following the executive session he could have the privilege of addressing the Commission in this regard.

The Commission convened in executive session and the following took place:

Settlement and dismissal of the case of CCSF v. Tarantino Fish Co., Superior Court No. 822397.
In the matters of 4g) approval of leasing policy development re Ferry Bldg/ World Trade Center

4h) approval of lease with Kaplan, McLaughlin & Diaz for space in the World Trade Center

Commission deferred matters until the next Port Commission meeting.

8. NEW BUSINESS

Mr. Rus asked the Commission to formally accept and make a part of the record of this meeting the letter dated January 28, 1987 from Continental Development Corporation, and it was moved by Commission Herman and carried unanimously.

There being no further business, the meeting adjourned at 1:20 p.m.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF REGULAR MEETING
WEDNESDAY, FEBRUARY 11, 1987

The Port Commission met in regular session on Wednesday, February 11, 1987 at 9 o'clock a.m. in Suite 3100, Ferry Building, San Francisco.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
Anne Halsted, Member
William H. C. Chang, Member

ABSENT: James R. Herman, Member

Also present were Eugene L. Gartland, Jack Conrad, Ron Stone, Art Osborne, Angela Karikas, Randall Rossi.

APPROVAL OF MINUTES

ACTION: Moved by Commissioner Chang, seconded by Commissioner Halsted, unanimously approved.

EXECUTIVE DIRECTOR'S REPORT

Mr. Gartland presented a testimonial plaque to Mr. Patrick "Pat" Farris, Resident Engineer and Chief Building Inspector, for twenty-three years of service to the Port, noting Mr. Farris embarks on his retirement on February 20. Dr. Coleman presented Mr. Farris with a resolution from the Commission thanking him for his many years of dedicated service. Pat thanked the Commission and the Director and said he was planning to build a boat and do a great deal of sailing in the next few years.

Mr. Gartland reported on meetings with the Mayor and representatives of Kansas City/Southern Railroad regarding the issue of the Santa Fe/Southern Pacific merger which is currently being appealed with the ICC. He indicated the importance of Kansas City/Southern's interest in wanting to do the central corridor.

The Director informed the Commission that Todd Shipyard wished to make an informational report to them on a future proposal for land use under their lease with the Port. Mr. Richard Grothen, representing Todd, would be making the presentation following the executive session.

The Commission withdrew to executive session for purposes of discussing Items 4f) and g) and the matter of San Francisco South Bay Partnership vs. CCSF, Superior Court No. 854-600. The Commission reconvened and Deputy City Attorney reported a settlement in the case of SF South Bay Partnership and that Items 4f) and g) were deferred.

FINANCE & ADMINISTRATION

4a) Commission adopted the Rules of Order as proposed with one amendment. Under Article I, paragraph 2. shall read as follows: "Among the Commissioners, a president and vice president will be elected. They will serve a one year term or until a successor is elected. Elections will be held every year at the first calendared meeting in January. No officer may succeed himself or herself to the same position for more than one term."

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Chang, carried unanimously to approve the amendment as stated, incorporate same.

ACTION: It was next moved by Commissioner Halsted to adopt the Rules as proposed, seconded by Commissioner Chang, and unanimously carried.

4b) Mr. Conrad presented a report on the status of services from other City departments to the Port and discussion followed on the liability insurance.

4c) This matter was withdrawn pending further discussion with City Attorney's office.

COMMERCIAL PROPERTY

4d) Commission was asked to approve an additional 175 square feet of space at Pier 35 to the Simco Group. Approval has been granted to this organization at the meeting of January 28, to license 1,428 s.f. of space and this increases the square footage to 1,603 s.f. with a proportionate increase in rental dollars.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, carried unanimously.

4e) Commission was asked to approve a request by Capurro's Sport Fishing Center for an additional use to permit live entertainment under Lease L-9798. Discussion ensued regarding the possibility of rescinding such use if in the future it proved onerous. Commissioner Halsted indicated it was her experience in other situations where the operator of the music changed, very often complaints resulted from the community. The Deputy City Attorney suggested approval be conditioned on certain restrictions, if this is a concern. It was determined that this is a fairly common use in the area, and therefore no further questions were forthcoming.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Halsted, carried unanimously.

4f) Deferred until the next meeting in February.

4g) Deferred until the next meeting in February.

Dr. Coleman announced Mr. Richard Grothen of Todd Shipyard would present an informational report to the Commission concerning maximizing use of its property under lease with the Port. No action would be taken at this time.

Mr. Grothen briefly outlined Todd's proposal by stating that since occupancy of the facility since 1982, Todd finds the property to be much larger than what is needed to effectively operate the shipyard. Todd is therefore seeking to maximize efficiency by abandoning use of the property lcoated along Illinois Street down 20th Street, with administrative offices being moved closer to the ship repair facility. Grothen reported meeting with Fred Noonan, a lessee at Pier 70, to discuss the possibility of mutually utilizing unused space between existing leaseholds which is more accessible to the active pies and dry docks. Gorthen suggested the possibility of bringing in other businesses which would generate jobs, and income by turning unproductive areas into revenue producing facilities. He assured Commissioner Halsted (who had questioned him in this regard) that all principal buildings, especially those of historic significance, would remain. Grothen said it is Todd's objective to assess its position for the future, in light of the decline in shipping, shipbuilding and ship repair. He closed his presentation by indicating Todd would come back to the Commission to seek approval to allow Todd to explore all possibilities to diversify the existing site.

During the discussion which followed, Grothen acknowledged Todd's commitment to planned capital expenditure for construction and modification as specified in its lease with the Port.

5. PLANNING & RESEARCH

a) The Commission was asked to approve a modification for $90,000 to the present contract with Bendix Environmental Research for services related to Pier 94-96 modernization, dredging off the container terminal complex to improve access, and resolution of the Pier 98 "fill" issue. The Commission took the following action.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Chang, passed unanimously.

b) Commission approval was sought for a modification to the contract with Keyser-Marston Associates for additional services in evaluation of the proposals for Pier 45 and subsequent negotiations and lease preparations. The modifiction is for $18,500.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Rudden, carried unanimously.

c) Randy Rossi gave a detailed briefing on the status of Pier 7 which is designated as a major public access pier under the Northeastern Waterfron Plan, Special Area Plan No. One.Rossi stated that funding

for this project (some $5 million) is forthcoming fron various sources, the Port, Recreation & Park Department, Open Space Funds, State Wildlife Conservation Board, U.S. Land and Water Fund, and the California State Coastal Conservancy. Rossi introduced Deborah Learner from the Recreation & Park Department who has been very actively involved in the progress of this project and is currently exploring other funding posssibilities, as well. Rossi next outlined the implementation steps involved before this project can move forward, including removal of a portion of the bulkhead building at Pier 5, action by the Board of Supervisors to accept the Wildlife Conservation funds, and appropriation of monies by the Port.

Ms.Learner spoke to the Commission regarding the importance of this open space commitment, citing the length of time and effort devoted to this project by many citizens, including Commissioner Halsted's presence on the original Citizens Advisory Committee. Learner indicated Proposition "J" funding as a serious commitment on the part of the citizens of San Francisco to open space development.

Commissioner Halsted spoke of her concern that the Commission should be aware that unless these funds, which were the result of many years of effort on the part of the Open Space Committee, are used to move the Pier 7 project forward, the Port has no guarantee these funds would be available again for such an undertaking. Halsted stressed her strong recollection that when the Open Space Committee first designated this site, a number of things were emphasized. One of which was that the Port clearly stated that the pier would have to come down, because it was in poor condition and could not remain in its present use. Commissioner Halsted emphasized the difficulty the Committee had encountered in obtaining the funding and reiterated to the Commission her desire to see this project move forward. She stated that although Pier 7 was originally envisioned as a mitigation for development of adjacent Piers 1½, 3,5, it now was a popular project in its own right and could go ahead of 1½,3,5. Halsted urged that every effort be made to bring this project to fruition and encouraged staff to continue its efforts.

Commissioner Chang questioned taking the pier out of use and therefore asserted that not only are we talking about money to make these improvements but also taking an income-producing asset out of use. He further contended that the Commission will have to address the issue of whether the Port use reserve funds for enhancement of general maritime use and operate the Port as a business or set aside part of the reserves for public use which is neither revenue producing, nor an enhancement of the Port maritime business.

Rossi suggested one resolution was to set up a type of mitigation bank, whereby developers who need to mitigate a project under BCDC requirements could pay into this bank.

Commissioner Halsted reminded the Commission that under the Burton Act our Charter includes recreation, as well as commerce and maritime, at an equal level of priority and the Port does not spend very much effort at that.

More discussion followed on the proposed use of wooden decks in the design of this pier, which it was noted was one of the most controversial issues of the design of this pier.

6. MARITIME

a) Commission was next asked to modify the contract for professional services with Triumph Marketing in the amount of $50,000 to cover additional costs related to specialized railroad related matters.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Rudden, approved unanimously.

7. ENGINEERING & MAINTENANCE

a) Commission was requested to grant approval to advertise for competitive bids to construct two marine buildings at San Francisco Container Terminal North (Pier 80) at an approximate construction cost of $600,000. Commissioner Chang questioned the cost of this estimate as being inordinately high, and was informed that the cost of infrastructure was included in this estimate.

Mr. Gartland interjected the possibility of having Department of Public Works work with us in the construction of a rail at this terminal rather than going out to get another contractor. Mr. Gartland indicated Dick Evans,Director of DPW, will be coming back to him with some estimates in this regard.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Halsted, approved unanimously.

8. LEGAL

Ms. Karikas requested Commission's concurrence with an action being undertaken by the Department of Public Works to ask the Board of Supervisors to approve vacation of Fremont Street between Brannan Street and The Embarcadero.

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Rudden, approved unanimously.

9. NEW BUSINESS

The matter of free use of Pier 45 by community groups was discussed, and various suggestions were offered as a means of resolving this issue. One suggestion by Commissioner Chang was to set up a fund

specifically for this facility, consisting of time and money, and put it on a first come, first served basis, and allocate it thusly.

Commissioner Halsted stated it was necessary to make a distinction between those kinds of operations which would promote interest and generate revenue for the Port and/or Port tenants, and those which are clearly non-profit to the Port, such as a warehouse for storing parade floats.

It was agreed that staff should draft a policy encompassing the points discussed, consult with the Mayor's office and the Board of Supervisors in order to be consistent with other City departments' policies, and come back to the Commission within thirty days.

There being no further business, the meeting adjourned at 11:15a.m.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF REGULAR MEETING
WEDNESDAY, FEBRUARY 25, 1987

The Port Commission met in regular session in Suite 3100 Ferry Building on Wednesday, February 25, 1987 at 9 o'clock a.m.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
Anne Halsted, Member
James R. Herman, Member
William H.C. Chang, Member

ABSENT: None

Also present were Eugene L. Gartland, Ronald Stone, Jack Conrad, Captain Osborne, Angela Karikas, Vello Kiisk, Randall Rossi.

APPROVAL OF MINUTES

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Chang, carried unanimously to approve the minutes of the February 11, 1987 meeting.

EXECUTIVE DIRECTOR'S REPORT

Mr. Gartland informed the Commission of developments regarding Port's application to BCDC for permits to rebuild Pier 30-32, stating a developer of adjacent property opposed issuance of these permits on the basis that a maritime use as contemplated is inappropriate due to increased truck and trailer movement. Mr. Gartland stated that no prior notice had been given to the Port from any quarter that these objections were forthcoming.

Commissioner Halsted noted that there had been objections raised when a negative declaration was issued on this project, and at that time, she communicated this concern to staff to inform them that more discussion was being sought on the subject.

Mr. Gartland emphasized his concern that implementing such a policy, whereby maritime uses on port property could be adversely affected by developers coming in to develop adjacent property, could have considerable effect on other areas where Port has maritime activities.

Commissioner Chang was also concerned that the Port is sending a negative message to the maritime industry should the Port change its plans to accommodate the needs of the City.

Mr. Gartland next addressed the issue of the eviction of a group of artists who sublet space at Pier 70. The Port's prime tenant, Mr. Fred Noonan, on the advice of the Port, served notice to vacate on the basis that premises were unsafe to occupy. Upon further determination, it has been suggested that an extension of time could be granted to the artists since it does not appear there is any imminent

danger but the building is not up to code. Mr. Gartland asked the Commission's concurrence to allow an extension of time of 60 days in which to determine what the cost to bring the premises up to code, warning that if the cost is too great, the building may have to be torn down.

The Commission agreed to allow the tenancy for another two months, and the Director indicated he would present the figures for renovation of the building at that time.

Mr. Gartland expressed his appreciation to Mr. Fay Woo, the Port's Head Accountant, for his outstanding performance in achieving the payroll conversion in a smooth and timely fashion.

FINANCE & ADMINISTRATION

Mr. Conrad submitted the first of four financial reports to the Commission: the 60-day status of accounts receivables for January 1987. The second report was the sales and rental report for December 1986. The third report was the statement of revenues and expenditures.

Mr. Conrad asked if the Commission had any questions regarding these reports and Commissioner Chang inquired about the status of work on parking stalls. He was informed that installation of gates had been delayed and that when they are in place, revenues should increase.

Commission next reviewed the refunds and allowances for the month of January 1987 in the amount of $163,587, and approved them by the following action.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Chang, carried unanimously.

COMMERCIAL PROPERTY

Commission was asked to approve a license for space in Pier 35 to Philip Williams & Associates, who intends to invest approximately $7,590 to improve the area and who will receive a rent credit not to exceed this amount. Commissioner Chang asked if Mr. Williams understood thee was no implicit guarantee to him regarding this arrangement unless he occupies the premises for the entire three months, and the response was in the affirmative.

ACTION: Moved by Commissioner Chang, seconded by Commissioner Halsted, approved unanimously.

Commission was requested to adopt a revised film permit fee schedule which will be in conformance to the rate schedule for all City departments throughout the City.

Commissioner Halsted asked that it be explicit in the resolution that these fees pertain to exterior locations only.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Chang, and approved unanimously as amended by Commissioner Halsted.

Item 4d and 4e deferred for action at a future time.

ENGINEERING & MAINTENANCE

Captain Osborne asked approval of the Commission to approve advertising for bids to construct a sewer line to facilitate the elimination of drainage of crab pots and roof drains on Taylor Street. Port would also perform repaving work.

ACTION: Moved by Commissioner Rudden, seconded by Commmissioner Chang, approved unanimously.

NEW BUSINESS

Dr. Coleman asked if there were any persons in the audience from the Pier 70 artists. He wished to advise them that the Commission would grant an extension of time of sixty days before asking them to vacate. A representative in the audience acknowledged their appreciation to the Commission.

Mr. Gartland asked that the artists group meet with the Deputy City Attorney and sign a waiver of claim form to protect the City and the Port from possible liability resulting from occupancy of the building.

LEGAL

An executive session was called for discussion of the case of Irene Cunningham vs. City and County of San Francisco, Superior Court No. 834-090, and at its completion, the Commission reconvened in open session. The Deputy City Attorney announced that a settlement had been reached in the amount of $150,000.

PLANNING & RESEARCH

Dr. Rossi introduced the first of four proposed developers to make presentations to the Commission in response to the Port's Request for Proposals for development of Pier 45. The RFP invited participation of preselected developers in the following mixed-use development:

1. Major hotel in a waterfront setting
2. Public trust "office space"
3. Retail and restaurant space serving primarily hotel guests
4. Parking to serve hotel guests and office tenants
5. Development with a festival hall/without a festival hall.

A packet for each developer's presentation was given to the Commission which included a five page summary prepared by the developer, excerpts from the RFP, and the selection criteria.

Mr. Jim Bronkema, representing the Embarcadero Investment Corporation, gave a forty-five minutes presentation to the Commission, in which he stated his team's feelings were the Pier 45 is the best hotel site in the United States; and a challenge as well, to meet the many divergent factions. Following Embarcadero's presentation, the Commission questioned the team in these areas:

1. Tidal pool- definition and explanation as to its creation.

2. Classification of the hotel component as a resort hotel.

3. Treatment of the facade of the buildings opposite the hotel.

4. Parking structure, its engineering and location.

5. Cost analysis - room cost - public amenities

6. Pedestrian ingress and egress.

Discussion involving cost analysis and financial representations was deferred until staff has been able to clarify these specifics and better advise the Commission.

The day care facility was also examined, as well as the amount of retail space and the type of retail use proposed by this developer.

Public comment was next requested by President Coleman. There was none and the Commission thanked the developer for the presentation.

Arcon Inc./VMS - the second development team, represented by Lyman Jee informed the Commission of an earlier development proposal for Pier 45 which his team had placed before a Commission of the Port about ten years prior. Mr. Jee suggested this experience as very beneficial in this newest proposal. The principal from VMS spoke to his company's credentials, stating that although it is not a local entity, it is one of the largest owners of hotels. Westin Hotel will be Arcon's operator, and proposes a full service four-star hotel. Mr. Rai Okamoto walked the Commission through the proposal.

At its conclusion, President Coleman asked for public comment, and there being none, the Commission sought clarification from the developer in these areas:

1. Traffic - ingress and egress as related to the grade separation proposed.
2. Loss/gain of parking spaces - validation of parking
3. Room rates (4-star)
4. Financing of development - funds to be raised, already in place
5. The market targeted for hotel operation
6. Festival hall - convention facility or banquet facility
7. Retention of fishing boat activity, provision of storage/utilities
8. Treatment of facade to be retained.

The Commission concluded with brief questions about the impact of delaying the selection of a developer, multi-use of the festival hall facility, and the fisheries institute treatment.

The Commission meeting adjourned at the conclusion of this presentation.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF REGULAR MEETING
THURSDAY, FEBRUARY 26, 1987

The meeting of the San Francisco Port Commission convened in regular session at 9 o'clock a.m. and is a continuation of the Pier 45 proposal presentations. The developers making the presentations are:

Melvin Simon & Associates Inc.

Torrey Development Corporation

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
Anne Halsted, Member
James R. Herman, Member
William H. C. Chang, Member

Dr. Rossi introduced Mr. Herb and Mr. Melvin Simon from Melvin Simon & Associates, and Mr. Greg Glass who thanked the Commission for the opportunity to participate in this proposed development of Pier 45. Mr. Glass spoke of the unique qualities of San Francisco which demanded, in his opinion, a special sensitivity to the community to develop a plan to complement the character and fiber of this city. Mr. Glass stated the goal his team set for itself after meeting with the community was to provide the economic base of a hotel to revitalize the fishing industry. In response to the retail merchants concerns, the retail area was kept to a minimum. Mr. Glass introduced another member of his team, Mr. Erik Norgaard, who addressed the matter of the Pacific Fisheries Institute and its integration into the proposal by this developer.

At the conclusion the Commission queried the developer in these specific areas:

1. Floating pier, primarily for use of the fishermen.

2. Removal of storage sheds and replacement thereof.

3. Trellis openwork treatment of the festival hall.

4. Plaza concept options.

5. Cocktail lounge and cafe located by the festival hall.

6. Public space and security efforts.

7. Soils reports and structural reports based on research by URS Blume, and GeoTechnical Consultants.

7. Weather-protected pathways.

8. Market study on expectations for suite rates.

The presentation by Melvin Simon & Associates ended with discussions on the hotel operator Embassy Suites fundamental concept, the proposed travel market they will seek, and a comparison of large hotels to the small hotel concept.

The fourth presentation for development of Pier 45 was made by the team of Torrey Development Corporation, and Mr. Kip Howard introduced his group to the Commission. Mr. Howard cited Torrey's Inter-Continental Hotel project in San Diego as very similar to the project being proposed for Pier 45 in that it is a waterfront project located on port-owned property, and is one part of a master plan designed for the entire Embarcadero area. Torrey's expressed objectives are to design and implement a concept for the Pier 45 project that will work esthetically and economically for all the parties involved, the Port, the merchants, fishermen, the community, tourist, the business traveler.

Mr. John Krikeen, architect with Skidmore, Owings & Merrill for the development, spoke to the critical relationship of the Pier 45 hotel project to the fishing industry, recognizing the impact of traffic circulation and parking in the area, on the surrounding businesses, and possibly on water quality.

At the conclusion of this presentation, the Commission asked the team for clarification in the following matters:

1. The number of restaurants anticipated to be in the project, and under whose management the restaurants would be.

2. Retail activity, type and degree of square footage, and spatial allocation.

3. Overall financial return to be generated by retail activity.

4. Separation of vehicular and pedestrian traffic in the esplanade.

5. Cost and completion time anticipated for the project.

6. Adherence to affirmative action program requirements.

7. Reconfiguration of the bulkhead facades.

8. Tenant storage location and availability.

9. Structural and soils studies for cantilever concept.

10. Festival hall/galleria.

11. Center core skylight allocation.

12. Contiguous parking areas.

13. Radisson Hotels as a local entity. Its rating as a five-star quality hotel. Operation of the restaurant by the hotel or by a subsidiary.

Public comment was called for and there was none. The President asked for a motion to adjourn, and it was so moved and carried unanimously.

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PORT OF SAN FRANCISCO
MINUTES OF REGULAR MEETING
WEDNESDAY, MARCH 11, 1987

The Port Commission met in regular session in Suite 3100 Ferry Building on Wednesday, March 11, 1987 at 10 o'clock a.m.

PRESENT: JAMES J. RUDDEN, Acting President
Anne Halsted, Member
William H. C. Chang, Member

ABSENT: Dr. Arthur H. Coleman, President
James R. Herman, Member

In behalf of Dr. Coleman, who is traveling on Port trade promotion with Ronald Stone in the Orient, Commissioner Rudden called the meeting to order. The first order of business was the approval of the minutes of the meetings of February 25, and 26, 1987.

ACTION: Moved by Commissioner Halsted, seconded by Commmissioner Chang, approved unanimously.

EXECUTIVE DIRECTOR'S REPORT

Mr. Gartland reported meetings with Zim Lines in New York, as well as with representatives of Stevedoring Services of America, regarding operation of the terminal facilities. He thanked the Commission for participating in the Province of Quong Dong's opening celebration He then addressed the matter of the Southern Pacific/Sante Fe merger, and indicated a decision is pending in this matter and could hopefully be known at the next Commission meeting.

Mr. Gartland advised the Commission of the City Attorney's advice regarding the expansion of the passenger terminal at Pier 35. The matter should be handled as a Request for Proposal and the City Attorney's office will be assisting staff in putting together an RFP, along the lines of that for Pier 45. This matter will come back to the Commission within the next few weeks.

FINANCE & ADMINISTRATION

4a) Commission was asked to approve Resolution No. 87-3 regarding Non-Civil Service and Temporary Civil Service appointments for the month of February 1987.

ACTION: Moved by Commissioner Chang seconded by Commissioner Halsted, carried unanimously.

4b) Commission was next asked to approve the policy statement on leasing, rehabilitation, and redevelopment of the Ferry Building/ World Trade Center. Discussion followed, and Commissioner Halsted expressed her concern that this matter be acted upon without any input from Dr. Coleman and Commissioner Herman. She suggested deferring the matter until the next meeting so that the full

Commission can review this matter and vote on it. It was therefore decided to put the matter over until the next Commission meeting.

PLANNING & RESEARCH

5a) Mr. Gartland asked the Commission to postpone the public hearing on reconstruction of the maritime facilities at Pier 30/32 until the full Commission is present. It was therefore unanimously decided to hold the public hearing at the meeting of March 25, 1987.

MARITIME

Roger Peters, acting for Mr. Ronald Stone, indicated Maritime department had no matters for Commission action.

ENGINEERING & MAINTENANCE

Captain Osborne reported no matters for Commission action.

LEGAL

Commission adjourned for the purpose of executive session in which to discuss the matter of the Port's claim against the vessel, PROCREST, as authorized under California Government Code Section 54956.9, subdivision(c).

Commission reconvened in open session at 10:22 a.m. and it was announced by the Deputy City Attorney Clay that Commission has agreed to a settlement in this matter.

NEW BUSINESS

Mr. Gartland asked the Commission to pass a resolution honoring Mr. Lars Lewendal, on his retirement after twenty-eight years as president of the Swedish Chamber of Commerce. Mr. Gartland commented that Mr. Lewendal has been a valued neighbor in the World Trade Center. He asked the Commission to "congratulate Mr. Lewendal on his retirement and wish him and his family the very best in the years to come".

ACTION: Moved by Commissioner Chang, seconded by Commissioner Halsted, carried unanimously.

There being no further business, the meeting adjourned at 10:30 a.m.

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PORT OF SAN FRANCISCO
MINUTES OF REGULAR MEETING
WEDNESDAY, MARCH 25, 1987

Port Commission met in regular session in the San Francisco Commission Room Suite 3100 Ferry Building at 10:00 a.m. Wednesday March 25, 1987.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
Anne Halsted, Member
James R. Herman, Member
William H. C. Chang, Member

ABSENT: None

Also present were Mr. Eugene Gartland, Executive Director, Jack Conrad, Arthur Osborne, Angela Karikas, Roger Peters, Dorothy Schimke, Vello Kiisk.

The first order of business was the minutes of the meeting of March 11, 1987. It was moved,seconded and passed to approve the minutes as submitted.

EXECUTIVE DIRECTOR'S REPORT

Mr. Gartland reported progress in the negotiations with the Regional Water Quality Control Board regarding our dredging proposal, and is hopeful that agreement will be forthcoming in the near future with the Corps of Engineers and the Quality Control Board.

The State Auditor General's Report which reviewed the Port's State Bond obligations and its ability to fulfill these obligations was released and it was Mr. Gartland's opinion that the conclusions reached by the Auditor General's office coincided in most cases with the Port's.

Mention was given to the Pacific Maritime Association's annual report by the Director, particularly regarding the comparative study provided on the erosion of the revenue tonnage in Northern California as opposed to the growth in the Los Angeles ports of container cargo.

The Director kept his report brief in view of the public hearing scheduled for the Commission meeting on Pier 30/32 maritime facilities reconstruction. Dr. Coleman announced that testimony on this matter would be received and asked for a list of persons who wished to speak to this matter.

PUBLIC HEARING

Representatives from the ship repair industry spoke in support of the proposed reconstruction of the maritime facilities at Pier 30/32, citing the obvious need and benefit to San Francisco of continued blue-collar employment.

Mr. Robert McCarthy presented a request from Bayside Village, developers of housing on land adjacent to SWL 330, to modify the construction of the customs facility and the CFS staging area at Pier 30/32. The request was predicated on the recent concern of the developer for increased traffic along The Embarcadero as a result of reconstructing the maritime facilities. John Twichell, Hank Baker, and Robert Fries, all representing Bayside Village, spoke in support of locating the customs building and the CFS at an alternate site. It was this group's further contention that the categorical exemption received by the Port for this project no longer sufficed and that a full environmental review should be undertaken.

Following public testimony presented by Bayside Village, Commissioner Herman responded by inquiring about the traffic conditions which were existent at the inception of this development project. Commissioner Herman continued by clarifying an erroneous assumption made by the developers regarding the difference between breakbulk and containerized cargo, and the type and volume of traffic generated by such cargo transport.

Commissioner Herman expressed his objection to assertions made by Bayside that the Port had done less than required to fulfill the environmental requirements to reconstruct a maritime facility. He further questioned the case for reexamination of the proposed construction based on the absence of an EIR, suggesting instead the developer is seeking to alter a contract to which they had already agreed that Piers 30/32 were for maritime.

Commissioner Herman reiterated the commitment the Port Commission has to preserve maritime use on the waterfront and stated his hope that industry and housing were not mutually exclusive but could co-exist in harmony.

Further testimony was received from Bruce Wilson, Stevedoring Services of America, Bill Boyington, Marine Terminals Corp., Frank Billeci, ILWU, Tricia James, South of Market Tenants and Merchants Association, Amit Ghosh, City Planning Department.

At the conclusion of testimony, President Coleman declared the public hearing on Pier 30/32 closed, and no action was to be taken by the Commission.

FINANCE & ADMINISTRATION

4a) Mr. Conrad presented financial reports for the Commission's review and approval; refunds and allowances in the amount of $170,210 were approved by motion of Commissioner Halsted, seconded by Commissioner Chang, carried unanimously.

4b) The matter of a salary increase for the Executive Director was the next item to be discussed. The proposed increase to $98,962 effective July 1, 1987 was considered. Commissioner Chang suggested a larger increase in order that the Director's salary could be commensurate with that of the Port Director of Oakland. It was noted that Oakland encompasses both the Port and the Airport. Commissioner Herman indicated he was satisfied with the formula customarily used to determine a salary increase, and Commissioner Halsted agreed. Commissioner Rudden felt that some further acknowledgement for performance was in order. President Coleman asked for a motion.

ACTION: Moved by Commissioner Halsted to follow the customary formula to determine a salary increase, seconded by Commissioner Herman, carried by a vote of three ayes, to two no's.

Mr. Conrad asked that the motion to adopt Resolution No. 87-36 approving the salary increase include the following language: "directs staff to make the necessary adjustments to the operating budget for FY 1987-88." It was so amended and passed.

4c) Commission next approved the adoption of the policy statement concerning the leasing, rehabilitation and redevelopment of the Ferry Building/ World Trade Center.

ACTION: Moved by Commissioner Chang, seconded by Commissioner Halsted, carried unanimously.

Commercial Property

4d) Ms. Schimke presented licenses for rental space in the World Trade Center, Ferry Building,and the Agriculture Building. These were reviewed and the following action was taken.

ACTION: Moved by Commissioner Herman, seconded by Commissioner Halsted, approved unanimously.

4e) Commission was next asked to approve an administrative change in the language of the amendment to the Roundhouse lease which would better reflect the procedure to accomplish the assignment of the lease by Three One Associates to Westcap Heritage Investors.

Commercial Property

4e) ACTION: Moved by Commissioner Herman, seconded by Commissioner Halsted, to amend the language of Resolution 87-20 which approves the Roundhouse transfer to WestCap, and carried unanimously.

ENGINEERING & MAINTENANCE

7a) Captain Osborne requested the Commission to approve the award of a dredging contract to Smith, Rice & Co. in the amount of $828,300 for dredging shipping channels on the Southern waterfront.

ACTION: Moved by Commissioner Herman, seconded by Commissioner Chang, carried unanimously.

There was discussion on the recent Court decision impact on the award of contracts under the MBE/WBE/LBE Ordinance in response to an inquiry from Commissioner Chang. The City Attorney's office has indicated that pending further notification the Port is to proceed under the Ordinance, applying all of the preferences.

NEW BUSINESS

Commissioner Herman requested staff to move expeditiously forward with the Department of Public Works and ISCOTT to install a Stop sign at the intersection of Broadway and The Embarcadero.

President Coleman asked the Commission to adopt a testimonial resolution honoring Mr. Wally Bowden, on his retirement as Chief Wharfinger from the Port of San Francisco. Mr. Bowden served the Port in this capacity over 35 years with dedication and wholehearted diligence. The Commission endorsed the resolution and expressed its appreciation to Mr. Bowden.

There being no further business, the meeting adjourned at 12:40P.M.

Elizabeth Day, Secretary
Port Commission

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PORT OF SAN FRANCISCO
MINUTES OF REGULAR MEETING
WEDNESDAY, APRIL 8, 1987

M I N U T E S

Port Commission met in regular session in the Commission Room of the Ferry Building, Suite 3100 at 10 o'clock a.m. Wednesday, April 8, 1987.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
Anne Halsted, Member
William H.C. Chang, Member

ABSENT: James R. Herman, Member

Also present were Ronald Stone, Jack Conrad, Angela Karikas, Vello Kiisk, Randall Rossi, Dorothy Schimke.

APPROVAL OF MINUTES

ACTION: It was moved by Commissioner Halsted, seconded by Commissioner Chang, carried unanimously to approve the minutes of the meeting of March 25, 1987.

EXECUTIVE DIRECTOR'S REPORT

Ronald Stone, Acting Director in the absence of Eugene Gartland, asked the Commission to defer items 4(e) and 7(b) for consideration at the next meeting, and it was so agreed. Mr. Stone reported on a successful trade trip to the Orient, stating his feeling that a better relationship has been established because of these efforts which will continue to bring positive results for the Port.

Commission was informed of a machinists' union strike which is currently in progress on the waterfront. Mr. Stone stated that he would keep the Commission informed on this issue.

FINANCE & ADMINISTRATION

Mr. Conrad submitted a report on the status of accounts receivable; brief discussion followed on the matter of the Dolphin Rempp. Commissioner Chang asked staff to clarify the Lykes Lines/U.S. Lines notation, and Mr. Conrad indicated he would do so, however, he thought it was a misprint.

Mr. Conrad next asked for Commission authority to enter into negotiations with the State Department of Finance for the Port to place $3.8 million into a reserve account as a result of the audit report of the Office of the Auditor General.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Chang, carried unanimously.

PLANNING & RESEARCH

Dr. Rossi asked the Commission to approve a modification to the contract with Carol M. Brown under which she would continue services for the Port relating to the infrastructure planning of fishing facilities at Fisherman's Wharf. This modification is not to exceed $49,650. and extends the completion date to April 1, 1988.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Rudden, carried unanimously.

Commission was next asked to approve a resolution urging the Mayor, the Board of Supervisors, and the Legislative Committee to support and endorse Assembly Bill 639(Killea) for a Coastal Conservation Bond Act of 1988.

ACTION: Moved by Comissioner Halsted, seconded by Commissioner Chang, carried unanimously.

MARITIME

The Commission was asked to approve a 10-year terminal revenue sharing agreement with Transportacion Maritima Mexicana Line. Under this agreement, TMM will make San Francisco's North Container Terminal its regularly scheduled port of call, and will in exchange, pay a discounted tariff rate. TMM's agreement is similar to previous revenue sharing agreements recently approved. The Commission lauded the Executive Director's efforts in bringing about the successful conclusion of these negotiations to bring TMM to San Francisco.

ACTION: Moved by Commissioner Chang, seconded by Commissioner Halsted, carried unanimously.

ENGINEERING & MAINTENANCE

Mr. Kiisk, Port Chief Harbor Engineer, asked the Commission to authorize the award of a contract to the low bidder,the joint venture of Stacy & Witbeck, and West Bay Contractors , for construction of crab pot drains and paving work at Fisherman's Wharf. This contract is in the amount of $74,938.

ENGINEERING (continued)

ACTION: Moved by Commission Chang, seconded by Commissioner Rudden, unanimously passed.

COMMERCIAL PROPERTY

Ms. Schimke presented the Commission with license and leases for locations at SWL 337, and asked the Commission for its approval.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Rudden, carried unanimously.

The matter of a license for Cable Car Charters was deferred pending further meetings with Cable Car Charters, Port staff and those individuals who have expressed objections to this license. This matter will be brought back before the Commission at the next meeting.

Commission was next asked to consider a request to assign the lease held by Victoria Station for a portion of Seawall Lot 324 to California Cafe Restaurant. This lease will expire in October 1998. Ms. Schimke explained that due to Victoria Station Inc. having filed Chapter 11 bankruptcy, this assignment to California Cafe Restaurant is being sought.

Commissioner Chang inquired about the particulars of the California Cafe organization and was assured by Ms. Schimke that the assignee is willing and able to perform under the lease terms.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Rudden, and approved unanimously.

LEGAL

The Commission withdrew to executive session for discussion of Wausau Insurance Agency v. CCSF, Superior Court No. 844-461. At its conclusion, the Deputy City Attorney announced a settlement in this matter.

NEW BUSINESS

ADJOURNMENT

On motion of the Commission, the meeting was adjourned at 11:00 a.m.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF REGULAR MEETING
WEDNESDAY, APRIL 22, 1987

M I N U T E S

Port Commission met in regular session in the Commission Room of the Ferry Building, Suite 3100 at 10 o'clock a.m. , Wednesday, April 22, 1987.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
Anne Halsted, Member
William H.C. Chang, Member

ABSENT: James R. Herman, Member

Also present were Acting Director Stone, Jack Conrad, Arthur Osborne, Angela Karikas, Dorothy Schimke, Vello Kiisk, Randall Rossi.

Dr. Coleman reported that Commissioner Herman is recuperating well from his recent surgery and staff and commission joined in expressing their wishes for his speedy recovery and return to the Commission.

Commissioner Chang asked that the minutes of the Commission meeting of April 8, 1987 be corrected to include the resolution directing staff to present the Commission with a capital budgeting plan for Port reserve funds. Commissioner Chang next requested the minutes be amended to reflect the discussion concerning the need to modify Carol Brown's contract as a Port consultant on the Hyde St. Pier and Pier 45 development. The modification is a result of the increased scope of work engendered by the intense interaction by Ms. Brown with the Fisherman's Wharf tenants and merchants. Commissioner Chang said he was particularly concerned about the negative publicity the Port is receiving even though the Port has already spent upwards of five hundred thousand in consultant fees to elicit information and input from fishermen, merchants and tenants of the Wharf. He emphasized this plan is the product of the community and the Advisory Committee, working with the Port, not something which the Port is cramming down anyone's throat. Commissioner Chang stressed the fact that all have been team players in this process, the Port, the community, the fishermen.

Dr.Coleman directed the minutes to be corrected to reflect these omissions. Commission approved the minutes subject to these changes.

Mr. Stone next addressed the matter of tenant artists at Bldg. 11, on Pier 70, who had been on notice pending investigation of safety requirements of the premises. Mr. Stone indicated the Port will

take care of the work in the Terminal office, and it will be between the artists, their contractor, and the Fred Noonan Company to rehabilitate their facilities.

Discussion followed regarding free use of Pier 45 by non-profit organizations as an under-utilized City facility and how other City departments handled these requests. Commissioner Chang asked staff to produce a plan of action whereby a fund could be set up through which certain funds would be available yearly for use by selected non-profit groups. Commissioner Halsted reaffirmed that this was what staff had been requested to do earlier and she would second Commissioner Chang's motion directing staff to present such a plan within the next two meetings. Mr. Conrad will compile a letter enumerating all agencies and departments contacted by him and the rates and conditions imposed. He said he would be more comfortable with having a plan ready for the second meeting.

Mr. Stone next spoke to the matter of a plan for capital improvements which Commissioner Chang had requested. Mr. Stone acknowledged that he had not had time to work this out but would endeavor to provide a list of priorities for the next Commission meeting.

Mr. Stone reported that Senator Line from West Germany will be under license for office space in the Ferry Building shortly, and this will be the U.S. headquarters for Senator Line and hopefully in the future San Francisco will be able to attract the shipping also.

FINANCE & ADMINISTRATION

Mr. Conrad presented four financial reports for review and approval by the Commission. Commission approved refunds and allowances in the amount of $15,200 for the month of March, 1987 by unanimous vote. Second report was a revenue and expenditure summary for month ending March, 1987. Status report on accounts receivable was reviewed next. The final report to be reviewed was the sales and rental report for February 1987 for Port's percentage rent tenants.

In personnel matters, Mr. Conrad requested approval from the Commission to submit a request to the Board of Supervisors which would permit the Port to contract for certain services with outside contractors rather than to use civil service employees. This request is based on an analysis certified by the City's Controller that these services can be performed at a lower cost than if performed by City employees .

Commissioner Chang questioned the basis for the considerable savings - "whether it is simply a matter of wage differentials or is the private sector so much more efficient than the public sector?". Mr. Conrad replied that in part the savings would be attributable to the fact that under the janitorial contract, a contractor can accomplish the job with fewer people, therefore reducing wages plus fringe benefits.

Steve Amano, Port's personnel director, cited two conditions as being responsible for the substantial savings in the janitorial classification. One, the pay equity which is effective July 1, and secondly, the cost of living raise of 9½% is considerably higher for the public sector this year than in the private sector.

Commissioner Chang questioned whether there aren't other areas that should be looked at that we can realize more of these savings, where the Port would shift more of its operations to the private sector in order to realize these savings. Commissioner Chang directed staff to keep a constant review of all areas in which outside contractors could be utilized in order to realize these substantial savings.

ACTION: Moved by Commissioner Halsted to approve Resolution No. 87-57, seconded by Commissioner Chang, approved unanimously.

Commercial Property

Ms. Schimke presented licenses for Commission approval, including one for Senator Line which was incomplete but in order to accommodate the company's needs was presented. Mr. Conrad asked for Commission review of a license which had been submitted to them previously, permitting operation of motorized cable cars in the Fisherman's Wharf area. Responding to the merchants in the area, Mr. Conrad was asking to modify this license to prohibit the Jefferson St. use but continue the use along The Embarcadero. Mr. Al Baccari, representing Fisherman's Wharf Port Tenants Association, FW Merchants Association, Pier 39, etc., spoke in opposition to the continuation of this operation, citing many abuses by the operator of traffic rules and regulations. A spokesman from Cable Car Charters responded to the charges, acknowledging there have been some problems, and reaffirmed his company's desire to cooperate. Pending further study and analysis of the traffic situation, this matter will be brought back to the Commission for license approval.

4d) Commission was requested to approve a lease with the Police Commission for approximately 7.3 acres located at Pier 70 for the storage, dismantling and disposal of abandoned automobiles. Mr. Conrad addressed the particulars of the lease with regard to other tenants of Pier 70, Todd Shipyard and Fred Noonan Company. Mr. Jim Lazarus, from the Mayor's office, addressed the operational aspects of the lease for storage and disposal of abandoned autos.

Commissioner Halsted expressed her concern that this anticipated use not have any negative impact on other operations in this area.

ACTION: Moved by Commissioner Chang, seconded by Commissioner Halsted, approved unanimously.

Commercial Property (continued)

Mr. Conrad asked the Commission to approve a 25-year lease with Landor & Associates to berth the historic vessel KLAMATH at Pier 5. After explaining some of the particulars of the lease, Commissioner Chang wanted to ensure the Port would not be obligated to buy out of this lease at any time in the future, should Port plans for this pier change. He was assured that the Port would not be obligated to do so.

ACTION: Moved, seconded to approve the lease, subject to the call of a special meeting, in the event of major changes, or major new concerns, if raised by Legal, dictating final review. Motion was carried unanimously.

PLANNING & RESEARCH

5a) Randy Rossi submitted a request to modify the Bendix Environmental contract in the amount of $47,000 in order to provide for required additional testing and analysis related to proposed channel access project at Piers 80 and 94/96.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Chang, carried unanimously.

5b) Commission was next presented with a request by Randy Rossi to authorize him to seek an amendment to the BCDC Special Area Plan No. 1 for the San Francisco Waterfront which would allow the use of banking system for fill credits anywhere in the Port jurisdiction. Commissioner Halsted opined that she would like to know more of the possible impact on the entire Bay Area of any proposed changes or amendments, and felt the Commission should be better informed before seeking this change. Rossi indicated he would come back to the Commission in thirty days .

5c) Commission was next given a brief update on the Pier 7 project; Ms. Betty Landis, of the Open Space Committee reaffirmed the Committee's interest in creating a recreational pier at Pier 7. Ms. Landis reported the Open Space Committee's contribution to this project at $3.15million and urged the Port to move forward to appropriate its in-kind contribution. Commissioner Halsted made a motion to direct staff to return with a recommendation for Port's share of the demolition. This was seconded by Commissioner Chang, who characterized the action as further evidence of the Port's continuing commitment to the public. This was carried unanimously.

5d) Department of City Planning staff appeared before the Port Commission to present the highlights of its latest "findings report" on the Northern Waterfront Land Use and Planning Study. Ms.Lieberman led the presentation and cited some critical areas as having "mediocre and boring architecture", "shoddy, tawdry tourist trappings", lack of signage, difficulty in parking, the displacement of the maritime and fishing industry, and the intrusion of a Disneyland flavor to the area. Ms. Lieberman stated the planning report identifies the problems of the area, as well as offering some tentative solutions.

President Coleman thanked City Planning staff for a most informative presentation, and accepted Randy Rossi's offer to review and comment on this report at a later date.

MARITIME

6a) Mr. Stone requested the Commission amend the management advisory contract with Port Railroads Inc.(PRI) to encompass three changes:

1. PRI will no longer perform switching operations north of Pier 30-32;
2. Port will perform all track maintenance; and
3. PRI to perform a greater level of engine maintenance.

City Attorney also recommended the inclusion of the following language: "for the purposes of any lawsuits or claims that have arisen prior to the effective date of this amendment, the responsibilities of the parties will be as they were under the original agreement".

ACTION: Moved by Commissioner Chang, seconded by Commissioner Rudden, carried unanimously.

Discussion followed regarding possible uses of the tracks for bicycle, foot, or handtruck races. No action was taken by the Commission.

6b) In the matter of Todd Shipyard's request to defer capital improvements from five to ten years, Mr. Stone reported that a letter had been sent forward to Todd informing them of Port support for the concept and asking for additional information before the Commission can take any action in this matter. Mr. Stone anticipated this matter would be brought back before the Commission within the next two months.

Mr. Stone announced the signing of Canadian Tropics Line to a revenue-sharing terminal agreement with the Port of San Francisco, which brings all the lines in the Central American trade to the Port of San Francisco.

7. ENGINEERING & MAINTENANCE

Captain Osborne asked the Commission to accept the recommendation of staff to accept the work under Contract No. 2535 with the contractor, Fishback & Moore, Inc. and authorize the final payment for the removal and disposal of PCB transformers at Pier 70, Building substation.

ACTION: Moved by Commissioner Rudden, seconded by Commissioner Chang, carried unanimously.

8. LEGAL

An executive session was held for the purpose of discussing resolution in the case of Dispatch Transportation Co. v. CCSF, Superior Court No. 833-904 and Port of San Francisco's claim against Masters, Mates & Pilots Union, and settlement in both cases was approved.

The Commission meeting adjourned at 11:46 A.M. by unanimous approval.

AMENDED MINUTES FOR APRIL 8, 1987 PORT COMMISSION MEETING

FINANCE & ADMINISTRATION

Commissioner Chang asked staff to prioritize the capital improvements that are on the list of things the Port must do, allocated and earmark the remaining $10M for the items not covered by the bonds. Mr. Conrad indicated this would not be a problem for him and he could attempt to bring something back for the next Commission meeting. Acting Director Stone indicated that he would proceed with formalization of a capital development program with priorities on which the Commission can take action which will guide staff and set priorities as to how those funds will be used.

President Coleman opined that such a capital development program should be reviewed by the Commission, perhaps in a retreat setting, diligently and prudently, before taking any action.

Commissioner Halsted agreed to the importance of such caution and offered to make a motion encompassing Commissioner Chang's request.

> ACTION: Moved by Commissioner Halsted, to request a formal prioritization for capital improvement from staff, seconded by Commissioner Chang, passed unanimously.

Commissioner Chang asked that Ms. Schimke be included for input on commercial property development prioritizing.

Mr. Conrad asked for approval to modify Resolution No. 87-40 to read "staff is directed to negotiate a written agreement with State Department of Finance which will be subject to approval by the Port Commission". With this change in language, the Commission voted unanimously to approve Resolution No. 87-40.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF REGULAR MEETING
WEDNESDAY, MAY 13, 1987

M I N U T E S

Port Commission met in regular session in the Commission Room of the Ferry Building, Suite 3100 at 10 o'clock a.m., Wednesday, May 13, 1987.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
Anne Halsted, Member
William H. C. Chang, Member

ABSENT: James R. Herman, Member

Also present were Eugene L. Gartland, Ron Stone, Jack Conrad, Art Osborne, Angela Karikas, Randall Rossi, Vello Kiisk.

The minutes of the meeting of April 22, 1987 were approved by motion of Commissioner Chang, seconded by Commissioner Halsted, and carried unanimously .

Executive Director's Report

Mr.Gartland addressed the matter of the Pier 70 lease agreement which he said would yield the Port a much better return than is presently paid. He reported continued work on putting together a package for development of Pier 35. Mr. Gartland informed the Commission that Todd Shipyards has submitted a request to him to change the use of the property which Todd leases from the Port. There does not appear to be anything in the Todd lease to preclude subleasing nor does it appear that Todd must keep the entire property in shipyard use. This matter will come back to the Commission within the next two months after further research on this matter.

Mr. Gartland, in reply to President Coleman's inquiry, stated no resolution appeared in sight for settlement of the strike at Todd.

Finance & Administration

Mr. Conrad presented the sales and rental report for Port's percentage rent tenants through March 1987.

He next requested approval of the non-Civil Service and temporary appointments for the month of April, which Commission approved unanimously.

Commercial Property

Mr. Conrad presented licenses for properties located variously at Piers 23,33, 24, 46B and 1-1/2. Discussion followed regarding insurance coverage required of licensees by the Port. Mr. Conrad provided a brief description of each license, and the Commission took the following action.

ACTION: Moved by Commissioner Chang, seconded by Commissioner Rudden, approved unanimously.

PLANNING & RESEARCH

President Coleman asked Commission concurrence in deferring Item 5c for two weeks and it was agreed.

Dr. Rossi introduced George Williams of the Department of City Planning who gave an informational briefing on DCP's revisions to the Recreation and Open Space Element of the Comprehensive Plan, with particular emphasis on its application to the Port. Discussion followed on the maintenance responsibilities for open space land; Commissioner Halsted requested staff to review this matter and report back to the Commission within the next month.

Dr. Rossi commented on the Open Space Element stating the spirit of it permits the running of the Port while having compatible public access. He further indicated he would prepare a draft outline of the Commission's comments for submittal to the Planning Department. Commissioner Halsted expressed her concern that the language concerning Pier 7 reflect the necessary changes, and stated that perhaps the mitigation bank could be a source for maintenance.

There being no public comment, the president moved the agenda to Item 4b.

Dr. Rossi addressed the Commission on the need to reexamine the proposed plans for a luxury hotel on Pier 45 and instead study the options of reducing the size of the hotel in order to accommodate more commercial fishing operations or eliminating the hotel entirely and giving over all of Pier 45 to fishing operations. Phil Kern, project manager for the Pier 45 project, and Carol Brown, Port's fisheries consultant, spoke to the economics of renovating Hyde Street Pier for commercial fishing which was found to be too costly. Dr. Rossi suggested the best solution would be to work out some arrangement to accommodate the fishing industry at Pier 45.

Dr. Rossi described three alternatives, indicating staff would bring these to the Commission, with their costs, and recommend an approach for the Commission to judge the comparative merits of each.

Following the presentation, Commissioner Halsted commended the staff for their rigorous attention to details, and reiterated her earlier statement,"The only purpose of this whole project is to provide up-to-date facilities for the fishing industry". She regretted that progress along the anticipated tracks had not been accomplished, but felt that Port is now much more aware of the facts, and that we are alot closer now to a realization of our goals.

Commissioner Chang inquired what impact this change in direction will have on the four proposed developers for Pier 45; Rossi responded they would be "on hold" for one month until staff's study comes back to the Commission. This month-long delay will coincide with staff's evaluation of the 40-item questionnaire which the proposed developers were asked to complete following their presentation to the Commission.

Commissioner Chang next asked if the Port will need to put out another RFP or shall we be able to work within the constraints of the current RFP; Randy deferred to City Attorney for an answer to this query but opined that "the more our approach resembles the current one, minimal fishing program for 45, the less likely we would have to go to re-bid - the more dissimilar, the more likelihood that we would have to".

Discussion also ensued on the need for the Port to engage geo-technical engineering consultation. Height and floor area ratio guidelines for Hyde St. and 45 were also discussed; City Planning averring that it has jurisdiction only over non-maritime development.

President Coleman asked for public comment on the subject. Testimony by Mr. Pat Flanagan,Standard Fisheries, Mr. Tim Tosta, attorney for Melvin Simon, as well as other interested citizens was heard, expressing particular concerns about height limitations, adherence to BCDC regulations, and loss of Port credibility. Jim Haas, representing Torrey Enterprises, urged that the set of studies be carried out in an unfettered and unconstrained fashion.

Staff responded to Mr. Kenneth Roberts who asked about BCDC impact on this proposed development, and what if any consideration had been given to BCDC and its policy and guidelines.
At the conclusion of the public testimony, President Coleman asked for the Commission's decision.

ACTION: Moved by Commissioner Chang to adopt staff report, approve Resolution No. 87-62 to redirect study of alternatives, and this was seconded by Commissioner Halsted, and carried unanimously.

4d. An informational presentation by Mr. John Schmidt, general manager of the Franciscan Restaurant, and Michael Stanton, the architect for the project, was made to the Commission which outlined the Franciscan's efforts to meet the Commission's directive. Mr. Stanton enumerated three requests made by the Commission:

1) examine the pedestrian traffic in front of the crab stand and its effect;
2) review this with the developers of Pier 45;
3) be certain the proposed crab stand interfaces well with Planning Department's plan for the triangle.

Mr. Stanton delineated how each of these requests was answered, indicating on the model the new configuration of the restaurant and gift shop, as well as the new walkways on the bayside of the restaurant.

Discussion followed Commissioner Halsted's question about sidewalk width at the crab stand site, and Commissioner Chang echoed this concern but suggested that making the north and west passageways more attractive with landscaping would alleviate his concern. Stanton stated that in remodeling the gift shop, an entrance is planned on the axis of the future pedestrian link, with display windows along the water.

ACTION: Moved by Commissioner Chang to endorse the concept for a crab stand at the Franciscan Restaurant, seconded by Commissioner Halsted, carried unanimously.

4e. A request for a supplemental appropriation to issue an inter-departmental work order to the Department of City Planning for $50,000 to continue the services of the Office of Environmental Review. It was explained that under this arrangement the Port has first priority for the services of this person and are able to expedite the EIR's, and Negative Declarations for us.

Discussion followed on the procedures we use to encumber and distribute these funds, and also whether or not there is still time to submit a supplemental appropriation to the Controller.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Chang, carried unanimously.

ENGINEERING & MAINTENANCE

7a. Captain Osborne requested Commission authority to accept the work under Pier 70 Contract SA 1302 and make final payment to Crosby and Overton.

ACTION: Moved by Commisioner Halsted, seconded by Commissioner Rudden, carried unanimously.

7b. The Commission was requested to authorize a supplemental appropriation for demolition and disposal work for Piers 5 and 7. President Coleman read a letter supporting the Open Space use of Pier 7 from the Telegraph Hill Dwellers Association, and Betty Landis, of the Open Space Advisory Committee for the City of San Francisco, who also urged the Commission to go forward with this project.

Commissioner Halsted suggested staff investigate the possibility of integrating this work with the building of the new pier, since much of the same equipment could be used. Staff concurred with this directive, to try to come up with the best arrangement.

Discussion then followed on the issue of the Port's need to adopt a capital improvement plan, costs associated therewith, and the priorities as an official Commission guideline for future capital improvements. Commissioner Chang requested this matter be placed on the agenda for consideration at the next meeting; Commissioner Halsted and President Coleman demurred initially, suggesting more informal discussion on this issue was desirable. The Commission took the following action:

> ACTION: Moved by Commissioner Chang to approve Resolution No. 87-61, seconded by Commissioner Halsted, carried unanimously.

Mr. Gartland indicated the matter of a capital improvement plan and priorities will be on the agenda for the next Commission meeting on May 26.

8. LEGAL

An executive session to discuss matters of pending litigation was held. At its conclusion, the Commission approved the settlement of CCSF v. Friedman, CCSF v. Meatball Bait Distributors, and Collins Marine Corp. v. CCSF. In the matter of the Deets Associates contract, said contract was extended and modified in the amount of $20,000.

There being no further business, the meeting was adjourned at 1: 5 p.m.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF REGULAR MEETING
WEDNESDAY, MAY 27, 1987

M I N U T E S

The Port Commission met in regular session in the Commission Room of the Ferry Building, Suite 3100 at 10 o'clock a.m., Wednesday, May 27, 1987.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
Anne Halsted, Member
William H.C.Chang, Member

ABSENT: James R. Herman, Member

Also present were Eugene L. Gartland, Ronald Stone, Jack Conrad, Arthur Osborne, Angela Karikas, Randall Rossi, Dorothy Schimke, Vello Kiisk.

ACTION: Minutes of the meeting of May 13, 1987 were approved by motion of Commissioner Halsted, seconded by Commissioner Chang, carried unanimously.

Executive Director's Report

Commission was asked to consider and adopt the Memorandum of Understanding between the Department of the Navy and the City and County of San Francisco regarding homeporting of the USS MISSOURI and its battle group, as it pertains to the Port of San Francsco and the issue of dredging obligations.

Deputy Mayor Jim Lazarus addressed the Commission on the matter of the MOU, presenting the updated version from the Navy, emphasizing that the Port Commission was the initial agency to approve the MOU, which would then be submitted to the Board of Supervisors.

Commissioner Halsted expressed her desire that the resolution approving the MOU reflect that the Port Commission approves only those portions that relate to the Port's jurisdiction, rather than the entire document. President Coleman agreed that this was the understanding.

Testimony was received from the public on this matter;and the following individuals spoke in behalf of homeporting the USS MISSOURI, and the passage of the MOU with the Navy: Messrs. Stuart Platt, James E. Kaune, Gene De Martini, John Lappin, and Bill Lavine.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Rudden, and approved unanimously to endorse in concept the Memorandum of Understanding between the City and County of San Francisco and the Department of the

Navy concerning the homeporting of the USS MISSOURI and her battle group, as the MOU pertains to the jurisdiction of the Port Commission.

The Executive Director next addressed the matter of legislation proposed to BCDC by the Port to amend the McAteer-Petris Act which would provide some relief to the Port from the restrictions which have resulted in a "planning paralysis" for the Port. Pending app val by BCDC, staff will come back to the Port Commission.

Mr. Gartland next spoke to the matter of Dr. Randall Rossi's contract, on the agenda for this meeting, and asked the Commission to consider an increase of 5, 6, or 7% for this interim period of 7 months prior to filling of the new planning positions. Commissioner Halsted averred that if Rossi has not had an increase for the last few years under this consultant contract, the Commission had been negligent and should correct the situation by giving him a well deserved increase for his dedication and diligent service to the Port. Mr. Gartland said the matter would be addressed on the day's calendar.

The next matter Mr. Gartland discussed was the possibility of locating the Americus Cup organization at Pier 24 and a portion of Pier 26. Ron Stone and Jack Conrad have been negotiating this possibility. It has been suggested that this could be the site for an international yachting center. Commissioner Halsted cautioned that staff ensure such a proposal would not be in conflict with current plans for the Northeast waterfront. Mr. Gartland opined that this fits right into it.

Item 6e was taken off calendar at the request of Mr. Gartland, who cited a need to address some issues in this matter before bringing it back before the Commission.

Finance & Administration

Mr. Conrad presented three financial reports for the Commission's review and approval.

1) Status of Accounts Receivable
2) Refunds and Allowances
3) Revenues and Expenditures

Discussion on the second report regarding a credit in the amount of $37,706 to Limbach, Limbach & Sutton ensued, with Mr. Conrad indicating that Limbach is receiving rental credits as part of their remodeling. "Port asked that Limbach redo the restrooms bringing them up to code, and remove some asbestos, both of which the Port is responsible. Under the contract, Limbach is doing this. What happens is the rent bill goes out but Limbach is slow in charging us for the work they've done for us. They are about sixty days in arrears getting their bills to us. Since they know they have a rent credit coming, the invoice we send them doesn't get paid. Thus, the reality is they are not in arrears. Following this explanation, Commission took the following

action on the refunds and allowances.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Rudden, approved unanimously.

Commissioner Chang next inquired if the Port is subject to the arbitrage required of entities which issue revenue bonds; Mr. Conrad responded that the Port is grandfathered in having issued its bonds prior to the deadline of December 31.

Commercial Property

Ms. Schimke presented license nos. 11239-41-42 for Commission review. Commission unanimously approved these licenses.

Next presented was a lease for a portion of Seawall Lot 337 to Mr. John Gerber for operation of a waste paper processing plant. Discussion followed regarding secondary uses of this lease, as well as the enforceability of certain conditions of the lease, particularly those having to do with subletting and assignment, as well as early termination by tenant.

Commissioner Halsted requested an explanation on the relationship of this lease to the Mission Bay project. Mr. Stone interjected that the lease is specific in stating that if the land swap takes place during the time of this five year lease the Port would relocate the tenant.

Commissioner Chang said it was his understanding that Port is obliged insofar as the relocation clause is concerned, to the extent that if there is space available on Port facilities, Port would make this space available, but if there isn't, Port is not precluded from moving somebody.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Rudden, approved unanimously.

Planning & Research

Mr. Gartland asked the Commission to approve Dr. Rossi's contract for consultant services, with the appropriate increase as discussed earlier in the meeting. Commissioner Halsted suggested a 5% increase, Mr. Gartland opined that the Commission should consider a 7% gross increase. The Commission concurred with the suggestion and took the following action.

ACTION: It was moved by Commissioner Rudden to renew Dr. Rossi's contract with a 7% increase for an 8 month period, seconded by Commissioner Halsted, carried unanimously.

Dr. Rossi next asked the Commission to approve a modification to the contract for professional services with Ripley Associates for work on the Hyde St. Pier, and planning for Pier 45. This is in the amount of $27,000 which will be held contingent upon direction of the Executive Director.

Mr. Conrad asked Dr. Rossi to identify the source of this funding and Rossi indicated it as the same source for the $262,000, which is that portion of the 1984 Revenue Bond funds applicable to Fisherman's Wharf.

Commissioner Halsted estimated that the total cost of consultant fees for this project is approximately $300,000. Dr. Rossi concurred that the total fees are $289,000, not including fees for the project manager.

There was no public testimony, and the Commission took the following action.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Chang, approved unanimously Resolution No. 87-63.

Maritime

Mr. Stone asked the Commission's approval of an amendment to the Fred Noonan operating agreement to provide wharfage and dockage credits for the cost of rehabilitating certain areas of pier 70 to provide for the auto crushing operation at this location.

There being no public comment, the Commission acted thusly.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Chang, approved unanimously.

Commission was next requested to approve a waiver for Todd Shipyards to allow the deferment of $10 million in capital improvements for an additional five years. Mr. Stone explained that Todd Shipyards made a presentation to the Commission regarding a proposed project to develop alternative uses for part of their facility. Todd is asking because of certain financial reversals, as well as the need to complete planning for the proposed project, the Port waive the five year deadline extending to the end of the tenth year.

Mr. Gartland asked to address the Commission on behalf of Todd stating that Todd has been a good tenant but has come on some "tough financial times". He contends that although Todd is asking for some relief for themselves it will also benefit the Port. Once capital improvement is started, they get rent credits, which would diminish our cash flow.

Commissioner Chang questioned the impact on the Port should Todd hypothetically default on its lease, and Mr. Gartland responded that as with any other defaulting lessee, the Port could bring an action to foreclose, go after back rent, or enter into negotiations with someone else to sublease or assign this lease.

Mr. Clifford Jones, Vice President/Operations, for Todd Shipyards, requested the Commission to give favorable consideration to Todd's proposal.

ACTION: It was moved by Commissioner Chang, to approve Resolution 87-69, seconded by Commissioner Halsted, approved unanimously.

Commission was next requested to approve a license with Sumitomo Corporation of America to perform assembly work at Pier 50 of two additional cars for Cal Trans.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Rudden, carried unanimously.

The next item for consideration was approval of a continuing contract with Triumph Marketing which provides the railroad expertise integral to the intermodal operation of the Port. Mr. Stone asked the Commission to approve the amount of $65,000 so that Triumph Marketing can continue to provide these services in the area of ICTF development, rail operations and marketing.

Pursuant to an inquiry by President Coleman,discussion followed concerning the spine-car operation which both Southern Pacific and Denver-Rio Grande have agreed to work on for current service. Mr. Stone said that a demonstration test had taken place two weeks previous with excellent results.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Halsted, approved unanimously.

Engineering & Maintenance

In response to Commission direction, Captain Osborne presented a list of capital improvement projects, with cost estimates, and as prioritized by staff. The list includes projects which have been determined to be worthy of consideration although funding has not yet been identified.

Commissioner Halsted indicated she would like supportive documentation for the selection as well as a rationale for the prioritization of the projects listed. Dr. Coleman, at Mr. Gartland's suggestion, agreed that staff should meet with the Commission on an individual basis, for Commission input, and after these sessions have been held, staff would come back for formal adoption of the capital improvement projects. Commissioner Chang asked that staff include a time chart for expending

these funds, as well as the source of funding which would be utilized for these expenditures. Commissioner Halsted also suggested that those projects which will produce revenue also be identified. This matter will be brought back to the Commission at a time determined by the Executive Director.

There being no furthe business, the President asked for a motion to adjourn.

It was so moved, seconded and carried to adjourn the meeting at 11:15 a.m.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF THE REGULAR MEETING
WEDNESDAY, JUNE 24, 1987

M I N U T E S

The Port Commission met in regular session in the Commission Room of the Ferry Building, Suite 3100, at 10 o'clock a.m., Wednesday, June 24, 1987.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
James R. Herman, Member
Anne Halsted, Member
William H. C. Chang, Member

Also present were Ronald Stone, Jack Conrad, Arthur Osborne, Angela Karikas, Vello Kiisk, Dorothy Schimke, Randy Rossi.

APPROVAL OF MINUTES

ACTION: By motion of Commissioner Halsted, seconded by Commissioner Chang, and carried unanimously, the minutes of the meeting of June 10, 1987 were approved.

ACTING DIRECTOR'S REPORT

Mr. Stone reported that Port staff had appeared before the Board of Supervisors Finance Committee's departmental budget hearings for Fiscal Year 1987-88 on June 17th. Most of the Port's projections were acceptable. The Port was asked to respond to some items, and would be meeting again with the Committee on June 25th. Mr. Stone mentioned that in the future all Port leases will be heard by the Board of Supervisors Governmental Operations Committee rather than the Finance Committee. He advised of the necessity to close Pier 24 for safety reasons, and pointed to posted photographs showing the severity of the deterioration of Pier 24. In response to Dr. Coleman's question concerning what efforts were being made to relocate tenants, Mr. Stone said that the Port was presently discussing relocation possibilities for existing tenants at Pier 24. In reply to Commissioner Halsted's query about future plans for Pier 24, he reported that discussions were now underway with the America's Cup organization with the view to rehabilitate Pier 24 for their potential use.

The Acting Director also mentioned that Supervisor Nelder had requested the Port's assistance in finding space for artists and craftsmen who were being displaced from facilities they now occupy at Hunters Point, but he told the Commission that the Port did not have adequate space to accommodate these artists. He had drafted a letter to the Supervisor to this effect, and invited the Commission's review. He said the Port had been advised by the State Lands Commission in the past that this was not necessarily a trust use.

Mr. Stone advised that Port staff would be represented and offer support at the Board of Supervisors meeting today regarding the Mayor's request for the homeporting of the USS MISSOURI.

FINANCE AND ADMINISTRATION

Jack Conrad requested that Items b) and c) be deleted from today's agenda. Apparently, there has been transmission interference at the KSFO location associated with the Port's container cranes, and the KSFO owners had agreed to hire a consultant to determine what was creating the problem.

Mr. Conrad presented four financial reports for review and approval by the Commission: Refunds & Allowances as of May 31, 1987, Status of Accounts Receivable as of May 31, 1987, Sales and Rent Report of April, 1987, and Statement of Revenues and Expenditures for the period ending May 31, 1987.

ACTION: The Commission unanimously approved the Refunds & Allowances report, ending May 31, 1987. The other reports were informational.

PLANNING AND RESEARCH

Dr. Coleman asked Dr. Rossi to confirm that the staff report concerning findings about the approach to commercial fishing improvements and development at Fisherman's Wharf, Hyde Street and Pier 45 being presented at this meeting was informational and not to be acted upon today. Dr. Rossi advised that this was the case; the report was for the Commission's consideration. Staff would then ask for two weeks to receive public testimony and to consult with developers, members of the fishing industry and other interested groups before making a recommendation and asking for selection and approval of one of the alternatives.

Dr. Rossi said that the presentation of the report and findings would be shared by Carol Brown and Phil Kern, who would review program and physical constraints, and himself. However, he first wanted to commend the advisory group team, Keyser-Marston and Ripley Associates, and particularly Carol Brown and Phil Kern for the long hours of dedicated work they gave to the project in a limited time frame.

Dr. Rossi said in this broader look at alternatives the main objectives and priorities were to address the fishing industry needs and bring down costs. The assumptions in arriving at alternatives were to 1) seek best possible operations, 2) identify least cost solutions where possible, 3) retain restaurant storage area, 4) to establish that the Fisheries Institute site and/or Festival Hall could be replaced with fishing program and 5) priority given to solving the fishing industry needs.

Alternative "H" would put new fisherman's berths, parking and gear storage on Pier 45; it would provide ample space for a hotel development. A Hyde Street Pier would be built next to Fish Alley in this alternative. Since this alternative would ask the hotel developer to provide some parking and gear storage for fishermen, the requirement for a Fish Institute would be omitted. A public market could be substituted for, or combined with the Festival Hall contained in the original Pier 45 RFP. Cost: $23.4 million.

Alternative "I" would use the west sheds on Pier 45 for fish handling and not build a new Hyde Street Pier. A commercial development would still be possible on the east half of the pier and could wrap-around the north end as well. The Festival Hall and Fish Institute would be dropped, but a public market could be provided. Cost: $14.3 million.

Alternative "J" was virtually the same as Alternative "H", but without any commercial development.

Dr. Rossi briefly described Alternatives "K" and "L": "K" - "I" berthing, "J" program with expansion space costed. "L" - "I" berthing, "J" program without expansion space costed.

He described the issues of comparison of Alternatives "H" and "I": cost, fill, operations (expansion, truck access), dislocation or relocation (complete move or piecemeal), compatibility/risk for commercial uses, public and civic use component, and permitting (environmental regulations/timing).

Dr. Rossi stated that in the next two weeks, staff planned to solicit comments from members of the fishing industry, Fisherman's Wharf merchants, and meet with the developers.

Dr. Coleman asked if anyone present from the public wished to make commentary.

Mr. Pat Flanagan addressed the Commission, stating that he represented Standard Fisheries on this occasion as opposed to the Citizens Advisory Committee. He said that much of his activity was moving to his Oakland plant because he could not continue to operate under the constrained environment at Fisherman's Wharf. He said that although for many years the leadership of the City indicated an interest in the preservation of the fishing industry, they had not been realistic about funding aspects. He thought other avenues of funding should be explored and felt many in the industry felt "handcuffed".

Dr. Coleman asked Mr. Flanagan if he had understood correctly that Mr. Flanagan had proposed private industry funding. Mr. Flanagan indicated that he referred to private and federal funding.

Dr. Coleman called for comments from members of the Commission. Commissioner Halsted asked if a special meeting had been scheduled for the purpose of receiving public commentary, and Dr. Rossi replied that Port staff was addressing SPUR on the subject next week, and that the next regular Wednesday Advisory Committee meeting could be used for the purpose of soliciting recommendations and comments on the alternative plans.

Commissioner Halsted asked if staff had met with the developers to be clear on their level of interest in pursuing the project. Dr. Rossi said staff had met with the developers and planned to meet again on a one to one basis for a candid exchange on the subject.

Commissioner Chang asked about the status of the RFP for Pier 45. Dr. Rossi said the proposals were on hold pending outcome of the fisheries alternatives. Alternative "H" could proceed largely with proposals we have, and Alternative "I" would call for restructuring of RFP.

Commissioner Halsted asked if a "phasing" schedule had been layed out. Dr. Rossi replied not in construction timing, but he thought several things could get underway as soon as an alternative had been chosen. He said an EIR could not be done until an actual project had been decided upon. He also said that staff and the consultants would develop such a schedule of phases and costs.

Commissioner Halsted asked Mr. Flanagan if he could identify his reference to the industry being "handcuffed". Mr. Flanagan said he felt the fishing industry should receive the same attention the Port gives to maritime interests and mentioned "height limitations" as an example of planning constraints.

Commissioner Chang asked Dr. Rossi to describe to the public and the press the process the Port has used to this stage to act responsibly to the citizens of San Francisco in this endeavor and to keep Fisherman's Wharf a viable attraction because of the importance of the tourist industry to the City.

Dr. Rossi stated that no other City agency has the responsibility of designing facilities for private entrepreneurs. The Port has attempted to solve problems for all variables and absorb as much information as possible from many diverse groups and sought the best possible team of developers and designers. Residential or office use is restricted by State Lands, and very few permitted uses have the potential to contribute a large "upfront" payment toward the costs incurred for commercial fishing improvements.

Commissioner Chang also pointed out that the Port is burdened by the necessity of bringing back its proposals to the Planning Commission, BCDC and the State Lands Commission.

Dr. Coleman suggested that staff meet with members of the banking industry to seek their advice/recommendations for funding the project and possibly securing financing from the private sector.

Commissioner Chang stressed the importance of staff's meeting with the developers to ascertain what compromises might have to be made in order to secure funding needs.

MARITIME

Mr. Stone asked the Commission to consider items 6a) and 6b) together.

6a) Commission was asked to approve an amendment of the Japan Line Terminal Revenue Sharing Agreement to provide tariff discounts on liquid bulk cargoes equal to containerized cargoes and to equalize rail costs for certain refrigerated cargoes due to the loss of direct Union Pacific Railroad service.

6b) Commission was asked to approve an amendment of the Evergreen Terminal Revenue Sharing Agreement to provide tariff discounts on liquid bulk cargoes equal to containerized cargoes and to equalize rail costs for certain regrigerated cargoes due to the loss of direct Union Pacific Railroad service.

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Herman, carried unanimously to approve Resolution Nos. 87-84 and 87-85.

6c) Commission was asked to approve participation in the Federal Port Controller Program with the U.S. Maritime Administration, which will enable the Port to participate with appropriate Federal agencies and other Bay Area ports in coordinating plans for emergency activities during wartime or national emergency situations.

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Halsted, carried unanimously to approve Resolution No. 87-86.

6d) Commission was asked to approve a resolution supporting the U.S. Maritime Administration Foreign Attache in Tokyo and request that the office not be closed.

ACTION: It was moved by Commissioner Herman, seconded by Commissioner Chang, carried unanimously to approve Resolution No. 87-87.

6e) Commission was asked to approve an extension of the agreement with California Stevedore and Ballast Co. to operate the Port Container Freight Station at Pier 80 Shed D through January 3, 1990.

ACTION: It was moved by Commissioner Herman, seconded by Commissioner Chang, carried unanimously to approve Resolution No. 87-88.

6f) Commission was asked to approve an agreement to provide rail labor and management service with Port Railroads, Inc. so as to make rail switching service available by the San Francisco Belt Railroad.

ACTION: It was moved by Commissioner Herman, seconded by Commissioner Chang, carried unanimously to approve Resolution No. 87-89.

ENGINEERING AND MAINTENANCE

7a) Commission was asked for the authority to award the SFCT-North, Pier 80, Wharf and Yard improvements, Contract 2548.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Halsted, carried unanimously to approve Resolution No. 87-90.

7b) Commission was asked for the authority to enter into an agreement with Paceco, Inc. for design and fabrication of crane parts for crane raising at SFCT-South, and to advertise for competitive bids to have the raising modification performed.

Dr. Coleman asked how long this procedure would take, and Vello Kiisk, chief engineer, estimated between 4 to 5 months for the fabrication and three weeks to install the parts.

ACTION: It was moved by Commissioner Halsted, seconded by Commissoner Chang, carried unanimously to approve Resolution No. 87-91.

NEW BUSINESS

Commissioner Herman asked Captain Osborne the status of installing a traffic light at the intersection of Broadway at the Embarcadero. Captain Osborne responded that the Department of Public Works agreed that a traffic light was necessary at this location and had designated installation of same at this intersection.

ADJOURNMENT

There being no further business, the meeting adjourned at 12:05 p.m.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF THE REGULAR MEETING
WEDNESDAY, JULY 8, 1987

M I N U T E S

The Port Commission met in regular session in the Commission Room of the Ferry Building, Suite 3100, at 10 o'clock a.m., Wednesday, July 8, 1987.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
James R. Herman, Member
Anne Halsted, Member

ABSENT: William H.C. Chang,Member

Also present were Acting Director Ron Stone, Jack Conrad, Captain Osborne, Angela Karikas, Dorothy Schimke, Vello Kiisk, Randy Rossi.

APPROVAL OF MINUTES

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Halsted, to approve the minutes of the meeting of June 24, 1987. Motion carried unanimously.

ACTING DIRECTOR'S REPORT

Mr. Stone reported the arrival of two container cranes from Korea which will be installed at Pier 80 North Terminal. Due to the need for constructing a back rail, the cranes will not be fully operational until the end of the year.

FINANCE & ADMINISTRATION

Mr. Conrad asked for approval of non-civil service and temporary appointments for the month of May 1987,and approval was moved by Commissioner Rudden,seconded by Commissioner Halsted, carried unanimously.

Mr. Conrad asked Steve Amano, Personnel Director, to speak to the matter of approving a resolution which would oppose a proposed charter amendment which would require binding arbitration regarding any policy, procedure, and/or practice that affects terms and conditions of employees. It was explained that such an amendment could result in a paralyzing situation for the day-to-day operation of City government. Commissioner Herman asked what recourse City employees now have if they have a grievance, and Mr. Amano replied that employees now have redress through the Civil Service Commission. It was stated that a number of other City Commissions have already voted their opposition to the broadly-written language of this proposed amendment, among them Airport Commission, Recreation and Park Department, and the Civil Service Commission.

President Coleman called for a vote to approve the resolution opposing the proposed charter amendment, as written, requiring binding arbitration regarding any policy, procedure, and/or practice affecting terms and conditions of employees.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Rudden, to approve Resolution No. 87-92 with Dr. Coleman voting affirmatively. The vote was 3;1 with Commissioner Herman voting against.

Mr. Conrad next requested the Commission to approve a resolution establishing a policy that the Port will be compensated, at fair market value, for the loss of revenue and/or the value of land as a result of Port land and/or facilities being used and/or controlled by other public entities.

Dr. Coleman suggested the inclusion of the following language: "This policy shall be administered in strict conformance with the provisions of the public trust imposed on Port land by the State Lands Commission and associated Constitutional provisions."

This addition as well as a clarification of the words "public entities" was agreed to.

ACTION: It was moved by Commissioner Rudden, seconded by Commissioner Halsted, carried unanimously.

Dr. Coleman moved the agenda to Item 5(a) under Planning and asked Randy Rossi to report on Fisherman's Wharf and Pier 45. Dr. Rossi asked the Commission to postpone any action on these matters until the meeting of July 22, 1987 in order to allow staff more time in which to accomplish the four tasks assigned them at the meeting of June 24. These were: to obtain public comment on Alternatives H, I, J;
to talk to the fishing industry;
have discussion with the four developers;
look at financing options.
Additionally, staff was asked to report on phasing and scheduling by identifying sources of funding and when the revenue stream would come on line to replenish Port funding allocations. Dr. Rossi averred that it would take more time to report back more definitively on these issues. Staff intends on July 22 to present the Commission with a series of implementation steps which could lead to a recommendation. Dr. Coleman inquired if the fishing industry has indicated its preference for any of the alternatives, "H", "I", or "J".

The Crab Boat Owners Association answered Dr. Coleman's query by announcing their preference for Alternative "I". Staff opined other community groups who are concerned about the financing as well as the physical aspects are reluctant to commit wholeheartedly to a particular alternative, and welcome the opportunity for more in-depth study of the issues. Dr. Rossi averred that neither staff nor the public see a groundswell for any one of the alternatives. One point was made by staff regarding the public's concern and that is "to get on with it - to have the Commission make a choice and begin to make some progress in developing 45."

Commission demurred with the assessment that it has been dragging its feet or procrastinating unnecessarily, and instructed staff to proceed as proposed, coming back on July 22 with more definitive information regarding funding possibilities and financing alternatives.

Dr. Coleman asked for public comment, and hearing none, moved the agenda back to Item 4e under Commercial Property.

Ms. Schimke presented licenses for Commission consideration with a brief explanation regarding a change in the effective date of License No. 11253.

Commission took the following action.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Herman, carried unanimously.

Commission was next asked to approve a lease with Limbach, Limbach & Sutton for additional space in the Ferry Building which Ms. Schimke stipulated would include new language under the non-discrimination provision as required by recent legislation, as well as a buy-out cap of $750,000 in case of early termination of this lease.

ACTION: Moved by Commissioner Rudden, seconded by Commissioner Halsted, carried unanimously.

PLANNING & RESEARCH

Dr. Rossi presented the Commission with a draft policy statement concerning review, approval and mitigation of potential impacts on the Port by projects proposed for the waterfront and Port property.

Commissioner Halsted interjected her objection to the narrow interpretation of the Port's objectives, and requested language which would be more consistent with the Charter's definition of the Port Commission's purpose as being to "further the interests of the Port in world trade".

Discussion followed with Commissioner Herman stating his concerns about protecting Piers 26 and 28, from adverse impact of the Muni-Metro Turnback on the ship repair industry. Mr. Stone echoed Dr. Rossi's sentiment that it behooves the Port Commission to lay out the ground rules in advance of negotiations with other departments and agencies, making them aware that the Port has certain rules and regulations to be complied with.

The Commission cautioned that a spirit of cooperation and co-existence should be the underlying essence of the policy not an adversary or combative tone. Staff concurred with this admonition, stating that the draft policy was circulated to other department heads for input. Staff will bring this matter back to the Commission for action at the next meeting of the Commission.

5(c) - Alec Bash of City Planning Department gave a briefing on the proposed Mission Bay development, with reference to Port operations, land use, container terminal development options and rail access.

Dr. Rossi emphasized the need for the Commission to adopt a policy position regarding the Mission Bay plan as it affects Port property. This position would deal with the land exchange and the conditions the Commission must impose to protect the Port's Southern Waterfront.

Discussion continued on the matters of Pier 48 and 50; in traffic and rail aspects,the aspects of Mission Bay which the Commission feels are impacting negatively on its operations. Mr. Bash indicated that the Draft EIR for this project is scheduled for completion at the end of this year, at which time public hearings will be held.

Mr. Jim Augustino,representing Mission Bay's sponsor, addressed the Commission concerns regarding access to Piers 48 and 50, the continued rail service necessary to Port's successful operation, and offered the information that Santa Fe Pacific recently acquired 38 acres of upland property, adjacent to Port property, as a method of moving this project forward.

Commissioner Halsted expressed her desire for more detailed information prior to offering any input, and responding to this request, Dr. Coleman outlined the three issues which he felt were the most paramount: one, the landswap, two, protection of maritime activity, and three, transportation needs. Mr. Stone suggested the Commission indicate its availability, and staff would set up the appropriate meetings for more in-depth briefing.

5(d) - Dr. Rossi presented a Memorandum of Agreement between the Port the U.S. Army Corps of Engineers, and the State Office of Historic Preservation which would allow the recordation procedure for removal of a portion of Pier 5 bulkhead building. After a brief explanation, Commission acted accordingly.

ACTION: Moved by Commissioner Halsted,
seconded by Commissioner Rudden,
approved unanimously.

NEW BUSINESS

Commission was next apprised of a plan to move the historic sailing ship BALCLUTHA to a new location at the Hyde Street Pier. It was explained that the National Park Service wants to shift the vessel from the foot of Powell Street and bring it into the Golden Gate National Recreation Area from the aspect of vessel safety as well as saving on maintenance costs.

By consensus the Commission expressed concern for this move and authorized Dr. Rossi to send a letter to the National Park Service opposing this proposed move.

There being no further business, the meeting adjourned at 12:05 P.M.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF THE REGULAR MEETING
WEDNESDAY, JULY 22, 1987

M I N U T E S

The Port Commision met in regular session in Suite 3100 Ferry Building, at 10 o'clock a.m. Wednesday, July 22, 1987.

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PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
Anne Halsted, Member
William H. C. Chang, Member

ABSENT: James R. Herman, Member

Also present were Eugene L. Gartland, Ron Stone, Jack Conrad, Arthur Osborne, Angela Karikas, Vello Kiisk, Dorothy Schimke, Randall Rossi.

APPROVAL OF MINUTES

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Rudden, carried unanimously.

EXECUTIVE DIRECTOR'S REPORT

Mr. Gartland informed the Commission of the Board of Supervisors' decision to table the ordinance in support of amending the McAteer-Petris Act, and stated that staff would proceed with the proposal to amend the McAteer- Petris Act consistent with Special Area Plan and the Bay Plan. He then informed the Commission that he would address the matter of the Todd Shipyard lease termination as part of his report.

President Coleman indicated it was the Commission's decision to consider termination of the Todd Shipyard lease and a proposed lease with Southwest Marine.

Mr. Conrad presented this matter to the Commission, noting the fact that Todd is undergoing financial setbacks, and according to a Todd spokesman, has lost several million dollars during its tenure in San Francisco. In an effort to regroup, Todd is seeking relief from its lease with the Port, and in view of the financial situation, and the threat of bankruptcy proceedings, Mr. Gartland urged the Commission's prompt response, stating that he had had discussions with other ship repair companies regarding interest in the property. Mr. Gartland stated that in exchange for release from its obligation to the Port, Todd has agreed to transfer the two drydocks, and restricted equipment, including a number of cranes. Two firms responded with proposals; Service Engineering and Southwest Marine. The latter company, Southwest Marine,proposes to lease 26 acres, including drydock, for a basic rent of $1.2 Million annually, with CPI increases every five years of a 30-year lease, with an option after 15 years to renegotiate for fair market rate, and a right to terminate. This initial offer was the better of the two proposals, and staff therefore recommends an acceptance by the Commission of this proposed lease with Southwest Marine.

Mr. Conrad explained this as a three-prong matter: the first, a termination of the Todd Lease; second, a lease for 26 acres with Southwest Marine; and third, a termination of Southwest's present lease for Piers 26/28. Mr. Gartland strongly recommended the Port Commission in the best interests of the Port,pursue this course. He indicated acceptance of the termination of the Todd lease is predicated on working out language on the tax problem as well as the hazardous and toxic problem.

Discussion followed in response to Commissioner Chang's questions about an early transfer of the drydocks to the Port, whether a marketing study has been ordered for the remaining parcels, and an earlier date for occupancy by Southwest Marine. Commissioner Halsted agreed that a marketing study was a good idea, then queried Mr. Conrad on alternative uses for Piers 26 and 28.

President Coleman asked for public comment and the following people addressed the Commission:

Mr. Leonard Buerger, attorney with the firm of Dobbs, Buerger & Molinari, representing Southwest Marine, supported the lease with Southwest Marine.

Mr. Whitney Thornton, representing Service Engineering, urged the Port Commission to take the necessary action to terminate the Todd Shipyards Lease but defer action on approving the lease with Southwest Marine. He also asked the Commission to look closely at the benefits of the two proposals, and the viability of shared use of the facilities.

Rick Andersen, Local 1149, Shipwrights & Boatbuilders Union, expressed his organization's support of combined used of the facilities by both ship repair firms in order that more jobs could be saved.

John Moran, representing District 115 of the International Assn. of Machinists and Aerospace Workers, spoke in support of allowing a joint operation of the Todd facility in order that both Southwest Marine and Service Engineering can continue to be "viable, productive, and a source of good paying jobs for his members".

At the conclusion of public testimony, Commissioner Chang expressed his opinion that in light of all the facts concerning Todd's financial situation, it behooved the Commission to act on this matter promptly and decisively, and he therefore moved to approve the termination of the Todd lease, further moved approval of the Southwest Marine lease, and the termination of the current Southwest Marine lease of Piers 26 and 28.

Mr. Gartland interjected with the suggestion that the motion to approve the Todd lease termination be subject to working out the language dealing with the tax provision and the hazardous materials provision.

Prior to the final vote by the Commission, one other speaker addressed this matter: John Palmer, San Francisco Machinists Lodge 68, spoke in support of dual operation of the facility by Service Engineering and Southwest Marine.

Commissioner Rudden seconded the amended motion by Commissioner Chang, with President Coleman calling for the vote.

ACTION: It was moved by Commissioner Chang, seconded by Commissioner Rudden, and unanimously approved to terminate Todd Shipyards lease, conditioned upon resolution of tax and hazardous materials provisions, approve Southwest Marine Lease, and terminate Southwest Marine lease of Piers 26 and 28.

FINANCE & ADMINISTRATION

Mr. Conrad presented two financial reports for Commission review and approval. Following a brief discussion, these were approved unanimously.

Ms. Schimke presented two licenses for Commission action, noting the license for Sam Bell is a temporary one to enable him to phase out his operation.

ACTION: By unanimous vote, Commission approved License Nos. 11256-11257.

PLANNING & RESEARCH

Dr. Rossi, by way of introducing the issue of Hyde Street Pier, presented two letters of comment from two interested organizations for Commission's perusal. He then stated staff would be presenting its recommendation to the Commission for implementation of fishing industry improvements at Fisherman's Wharf, Hyde Street Pier. Briefly he recounted various alternatives which have been studied, and eliminated, and reiterated the details of H and I schemes, as well as K. Dr. Rossi outlined the similarities and the differences inherent in each scheme, from an economic and financial aspect, as well as the environmental aspect. Dr. Rossi stated staff was recommending the Commission tentatively endorse Scheme I, conditioned on deferral of commercial development decision, exploring the interest of the four developers, and exploring other types of commercial developments as well. He also asked for authority to pursue the grants and pre-applications, feasibility study to actually fund the Cal-Boating improvements.

Mr. Christopher Martin, representing Fisherman's Wharf Merchants Association, spoke in favor of Alternative K, and asked the Commission to give serious consideration to its selection because it allows maximum expansion to the fishing industry.

Mr. Jim Haas, counsel for Torrey Enterprises, asked the Commission to make the decision that is best for the City, basing it not on the premise that the Port could not afford Alternative H, because he contended that the City could finance Alternative H, which would over the long run produce far more revenues for the Port.

ACTION: Commissioner Chang made a motion to adopt the general concept outlined with I plus the hotel, four I with the market, and the K concept to provide staff with direction, and start the Cal-Boating Loan process, with staff coming back in 30 days to the Commission with a proposal further narrowing the three alternatives. Motion was seconded by Commissioner Halsted, carried unanimously.

Dr. Rossi asked for and received authority to bring back work programs to accomplish traffic and economic studies.

Commission was next presented with a revised Draft policy document to cover inter-agency and non-Port sponsored projects on Port property that impact Port revenues, land uses and/or operations.

Commissioner Chang suggested two changes in the guidelines: delete the words "In establishing a baseline figure.....(concluding with) yield additional revenues." which are found in the Preamble.

On page 3, strike any reference to giving consideration to any benefits that may accrue to the Port. (Para. III, subpara. 1, PAYMENT.) "Consideration should be given.....transit services)."

Next reference, IV, second sentence beginning "Consideration should be given.....parking meter revenues)."

Commissioner Chang expressed his opinion that consideration should be given, but at a public hearing, and should not be included in a policy statement.

Commissioner Halsted questioned the wisdom of adopting this policy statement without having received input from other agencies, particularly that of the Redevelopment Agency, since it was her feeling that communication between the Port and Redevelopment has been deficient. Commissioner Halsted also felt more time was needed to explore the changes proposed by Commissioner Chang.

President Coleman suggested as a compromise to the situation that the policies outlined in this document be adopted as a draft, subject to future amendment as determined by the Commission.

Commissioner Halsted had no objection to adopting this as a draft, conditioned by imput from other agencies and commissions.

Commissioner Chang expressed his strong aversion to soliciting input on Port Commission policy from other Commissions and departments of the City, since he contended the function of the Commission was to develop Port policy and need not be influenced by other Commissions of the City.

ACTION: Motion was made to adopt as interim guidelines the policies and procedures for review, approval and mitigation of interagency and publicly-sponsored project on Port lands, with direction to staff to return in two weeks with a final document for adoption. Seconded, and carried unanimously.

Dr. Rossi introduced Mr. Bruce Bernard of Muni Railway who addressed the Commission requesting endorsement of a schematic design/operational concept for interim operation of Muni "F" Line on the Belt Line right-of-way on the Northern Waterfront.

ACTION: Commissioner Halsted made a motion to support the use of the Belt Line tracks for an experimental demonstration service of the "F" Line Municipal Railway (not to be precedent-setting), seconded by Commissioner Chang, carried unanimously.

The next item presented for Commission review and action was a request by the Redevelopment Agency for the Commission's endorsement of a schematic design for street and intersection modifications in the Redevelopment Agency plan for South Beach. Mr. Redmond Kernan, Acting Executive Director of this agency, indicated the agency proposes to close some streets (cul-de-sac) in order to enhance the residential area, and provide on-street parking for residents. Mr. Kernan illustrated the existing street pattern and that which is proposed for future use. Mr. Kernan spoke to some of the concerns which Port staff has expressed, namely, truck access to Piers 30/32, access to Piers 26/28 and consideration for ship repair equipment and employee parking. He acknowledged the difficulty of achieving compatability between the needs of a housing development and those for industrial uses. Mr. Kernan cited this as a classic problem of change of use and expressed the hope that resolution would come through the workings of the I-280 Task Force. He stated he was before the Commission to ask for a general endorsement of this approach, blocking off certain streets to through traffic.

Mr. Stone reiterated Port Maritime staff's concern for access particularly to Piers 36/38, emphasizing that the ship repair firm located on this pier, was dependent on truck accessibility.

Discussion followed with President Coleman suggesting the matter be deferred for two weeks to provide additional time to re-study some of these concerns. Commission agreed to defer this matter and directed staff to formalize Port's traffic needs in conjunction with street closures and transportation planning for the Embarcadero.

ENGINEERING AND MAINTENANCE

Commission was asked to authorize execution of work on Contract 2550 - which will include soliciting a quotation from a ship repair firm capable of performing drydock and overhauling of the pile driver hull.

ACTION: Moved, seconded and carried to approve Resolution No. 87-99

There being no further business, President Coleman asked for a motion to adjourn.

ACTION: Moved, seconded, carried unanimously.

The meeting adjourned at 1:05 P.M.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF THE SPECIAL MEETING
FRIDAY, AUGUST 7, 1987

M I N U T E S

The Port Commission met in special session on Friday, August 7, 1987 for reconsideration of the proposed lease with Southwest Marine, Inc.

PRESENT: President Arthur H. Coleman
James J. Rudden, Vice President
Anne Halsted, Member
William H.C. Chang, Member

ABSENT: James R. Herman, Member

The Executive Director addressed the matter of the Grand Jury report which is to be released within the next day . Mr. Gartland spoke briefly on various aspects of the report, which he characterized as a scathing denunciation of the management of the Port, and an adoption of the pro-development, anti-maritime attitude of some of the populace. The Grand Jury committee interviewed only those people who had "a biased point of view, already expressed in the Harvey Rose report", opined Mr. Gartland.

Mr. Gartland concluded his remarks, and Dr. Coleman directed this matter be placed on the agenda for the next meeting of August 12 for fuller discussion by the Commission.

Mr. Conrad presented a resolution to amend Resolution No. 87-101 by adding new language to Paragraph 8B of the proposed lease with Southwest Marine, Inc. The Commission took the following action.

ACTION: Moved by Commissioner Rudden, seconded by Commissioner Halsted, carried to amend Resolution No. 87-101 by the addition of one sentence to Paragraph 8B of the proposed Southwest Marine Inc. lease.

There being no further business on the agenda, the Commission adjourned at 9:15 A.M.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF THE REGULAR MEETING
WEDNESDAY, AUGUST 26, 1987

The Port Commission met in regular session in Suite 3100 Ferry Building on Wednesday, August 26, 1987 at 10 o'clock a.m.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
James R. Herman, Member
Anne Halsted, Member
William H. C. Chang, Member

ABSENT: None

Also present were Eugene L. Gartland, Jack Conrad, Art Osborne, Angela Karikas, Vello Kiisk, Roger Peters, Dorothy Schimke, R. Rossi.

APPROVAL OF MINUTES

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Chang, carried to approve the minutes of August 12, 1987.

EXECUTIVE DIRECTOR'S REPORT

Mr. Gartland stated that although Todd Shipyards has filed for protection under Chapter 11, it appeared likely that the agreement worked out between the Port and Todd will go through, as well as the subsequent agreement with Southwest Marine. In essence the agreement exchanges the indebtedness of $9 million for two drydocks, the replacement value of which is in excess of $50 million.

Mr. Gartland expressed strong disagreement with the Civil Grand Jury report findings, and presented the healthy increases in container tonnage, ship passengers, and commercial property revenue as positive evidence to support his position. Mr. Gartland opined that under the strong leadership of the present administration the Port has achieved great strides on the come back road, citing the Fisherman's Wharf breakwater, the proposed fishing facilities rehabilitation at Pier 45, and the Inter-modal container facility as just a few examples.

FINANCE & ADMINISTRATION

Mr. Conrad presented two financial reports: Status of Accounts Receivable, and Sales and Rent Report for June 1987. Mr. Conrad pointed out that the sales report indicated an increase of 7.6% for thirty tenants reflecting a healthy picture for Port tenants.

Commission was presented with a request by Franciscan Restaurant to install an outdoor crab stand under an amendment to the present lease, raising the monthly minimum rent from $7,284 to $9,000. Discussion followed regarding the merits of this request with Commissioner Herman expressing a reluctance to the concept of this proposal, citing the extremely high pedestrian congestion already present in the area.

Commissioner Halsted suggested obtaining a firm commitment from the Franciscan organization regarding improving access before approving the amendment, even though it was her feeling that the current proposal was vastly better than originally planned.

Mr. Conrad offered to discuss the matter further with City Attorney and the Franciscan Restaurant and return in two weeks for Commission consideration.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Herman, carried to defer action for two weeks.

The next item presented was a request for approval of a bid package for SWL 321, and Mr.Conrad asked City Attorney Karikas if litigation on this property has concluded. Ms. Karikas agreed, and indicated her concern was more with the form of the package itself, stating the package should be in the form of an option and lease agreement. Discussion followed on the possibility of a health club development at this site, and whether the area would support an additional facility of this nature, as well as adaptability of such a facility in the event the health club were to fail.

Commissioner Chang asked for certain language changes regarding non-discrimination clauses in the agreement, specifically asked for retention of language referencing "fine, white tablecloth dining facilities" Ms. Karikas defended her position stating this was too narrow a qualification, but reiterated this was a suggestion and therefore it was up to the Commissioner's discretion.

President Coleman asked for public comment. Mr. Stanley Dorst, a developer, addressed the Commission soliciting comment on a possible multiple-use development at SWL 321. It was discussed briefly and the Executive Director expressed his opinion that it would be more beneficial to the Port to go with a single-use development, with any ancillary uses being connected with the primary use of the facility.

ACTION: Moved, seconded, carried to defer the matter for two weeks.

Next Ms. Schimke presented the Commission with a number of licenses for approval, with an explanation regarding a transfer of license from the San Francisco Council of Churches to the San Francisco Food Bank, which would retain the lower rental rate. Discussion followed led by Commissioner Chang's objection to the piecemeal apportioning of Port funds, albeit for worthy causes. He reiterated his suggestion that a better method be devised whereby funding could be allocated annually rather than in a haphazard fashion. The pro's and con's of establishing such a fund were discussed. Staff was directed to provide the Commission with information on what the Port is subsidizing in order to determine if such a process would work. Staff will bring back a report within six weeks.

The license for King Broadcasting being exempted temporarily, the Commission approved all other licenses as listed.

Commission was requested to approve a six-week experimental demonstration for historic railcars along The Embarcadero. This demonstration will be conducted on Friday and Saturdays only from September 12 through Fleet Week October 17. Port will be compensated by Muni for loss of revenue during this experimental period. Commissioner Chang asked that it be clearly understood that should a permanent F-line operation be proposed the method for determining compensation to the Port would not be based on this formula,nor should approval of this demonstration be construed as precedent-setting.

Commissioner Herman expressed concern that the traffic difficulties along this corridor be addressed before adding further congestion. He also asked that the record reflect that approval of this experimental demonstration be a separate matter from consideration of a more permanent rail line operation.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Rudden, carried to approve Resolution No. 87-115.

Commission next considered the matter of assignment of the KSFO lease for broadcasting facility at SWL lot 344 to the parent company King Broadcasting. A potential hazard condition was uncovered at this site recently, and the lessee has cooperated with the Port in endeavoring to resolve the situation.

Commissioner Herman questioned the prudence of going forward with approving the assignment in light of this discovery, and the fact that responsibility has not yet been established for resolution of this problem.

Ms. Schimke explained the fact that this assignment does not in any way change KSFO's obligation nor Port's ability to receive what is its right. Commissioner Herman again expressed his concern over a possible hazardous condition for workers to which Port has given tacit approval.

Mr. Gartland agreed that his main concern was addressing the issue of workers' safety and suggested a meeting with the Safety Committee to resolve the problem with expedience. Today's action approving the assignment, he felt, would not affect the issue.

ACTION: Moved by Commissioner Herman to approve assignment to King Broadcasting, and a license for a satellite placement, contingent upon resolution of any safety hazard condition therein, seconded by Commissioner Halsted, carried.

Commission considered the matter of approving a lease with Ferrari Brothers, a California general partnership, for 13,985 square feet of unimproved land located in India Basin. Following discussion, Commission took this action.

ACTION: Moved by Commissioner Chang, seconded by Commissioner Herman, carried.

Ms. Schimke summarized the matter of early termination of the Powell River-Alberni Sales lease and it was determined that after discussion with one of the principals of this organization no action would be taken.

PLANNING & RESEARCH

Dr. Rossi asked Commission permission to comment on the Grand Jury Report and the Harvey Rose report, but acknowledged he could have no comment since according to both reports he, Dr. Rossi, did not exist, nor did the Port's planning department exist, nor any of its strategic planning nor expertise. Commission received Dr. Rossi's statement with no comment.

Dr. Rossi presented a request by the Redevelopment Agency for endorsement to close Beale and First Streets and related street and sidewalk improvements within the South Beach area. Mr. Gartland expressed dissatisfaction with the piecemeal approach of random closures, suggesting instead that the Port's needs be satisfied by presenting an entire package for the Commission to review and approve. The Port must be assured that the maritime concerns including truck accessibility will be met.

Mr. Redmond Kernan, of the Redevelopment Agency, stated his agency was requesting only endorsement in concept of the closure of those streets west of The Embarcadero, and emphasized the importance of obtaining such endorsement owing to the lengthy, complex process of Board of Supervisors hearings. Mr. Kernan contended that the issues of street closures and attending to the maritime traffic needs are separable and could be dealt with sequentially.

Commissioner Herman suggested as a means to resolve differences that all parties meet for further discussion and this matter should be rescheduled for the next meeting. At that time, parking needs for the Port and maritime industry workers are to be quantified for Commission's review.

President Coleman recommended strongly that the matter be voted on at the next meeting at which time it will be listed as a maritime item. Commissioner Chang urged that Port maritime tenants be invited to participate in the proposed meeting with Redevelopment Agency.

Dr. Rossi presented an informational document regarding Mission Bay Development project detailing scheduling and action which will ultimately be asked of the Port Commission.

In conjunction with this matter, Commissioner Chang requested staff to research paragraph 2, subpara.(c) the potential future use of Port property, as well as the possible inclusion of a CC&R as part of any title or deed transaction of Port property. This CC&R is to be exclusive of any development and dispostion agreement with the City and County and proposed developers. Mr. Gartland agreed and asked City Attorney to obtain a legal opinion on this possibility.

Dr. Frank Claus, representing Potrero Hill Boosters' Association, addressed the Commission specifically as a member of the Open Space Committee in support of the land exchange near Pier 80 with a developer. Specifically, Dr. Claus asked the Commission to support development of a major waterfront park encompassing a wetlands at the north end of the park, as well as relocating a major museum, perhaps the Museum of Modern Art. He urged favorable consideration be given to a large waterfront park in hopes of making Mission Bay part of the City rather than a separate community.

The Commission moved to the next item which was the rejection of all bids for hotel and mixed use development at Pier 45.

ACTION: It was moved by Commissioner Halsted, seconded by Chang, carried.

Commissioner Herman inquired about the possibility of compensating the four developers for their loss of time and money engendered by this necessary rejection. City Attorney replied that these are risks assumed by the developer and legally Port would be precluded from any step in this direction. Dr. Rossi interposed that it would be made clear that the rejection is without prejudice and in any subsequent offering these developers could be considered pre-qualified.

The next item considered was a request to adopt in final form and implement a plan for commercial fishing berths and fish handling at Fisherman's Wharf. Dr. Rossi explained the plan embodies four things: reserves the westside of 45 for fishing; second, construct up to 120 new berths; third, the immediate rehabilitation of B shed on 45; and last continue to participate with City Planning and other agencies in finding the appropriate use for the remainder of 45.

Commisioner Chang requested amending the language of the resolution approving the implementation to specifically "minimize the Port's financial exposure, exploration of all income-producing activities, etc". He further specified that it be made absolutely clear that the Port Commission at this time is not taking a position in undertaking the burden $3.7 million.

Mr. Christopher Martin, Co-Chair of the Citizens Advisory Committee, recommended the addition of preliminary engineering and planning for Shed D,in the implementation plan. Secondly, the Committee recommends a symposium of fisheries experts from around the world to meet with Port staff, and the Committee to advise and counsel in this undertaking.

Dr. Rossi asked to address these two recommendations in the next item.

ACTION: Moved by Commissioner Herman, seconded by Commissioner Chang, carried.

Dr. Rossi asked to defer the request for authorization to issue a Request for Proposals in order to incorporate the two recommendations of the Advisory Committee, as well as to describe the Technical Advisory Committee and its role, and to add an additional task to the work scope.

MARITIME

Commission was requested to appoint Mr. Ronald Stone as the Port's official delegate to the American Association of Port Authorities convention in Galveston, Texas in October.

ACTION: Moved by Commissioner Chang, seconded by Commissioner Halsted, carried.

NEW BUSINESS

Commissioner Herman asked for an update on the status of installing a traffic signal at the intersection of The Embarcadero at Broadway. Although it was agreed that this is a very hazardous crossing, it was reported that ISCOTT (Inter-departmental Staff Committee on Traffic and Transportation) has placed this intersection on a list of 14 possible locations for signaling, but DPW indicates there is funding only for two. Staff was directed to explore this matter further and return to the Commission with a resolution.

EXECUTIVE SESSION

Commission withdrew to executive session for purposes of discussing CCSF v. MTC , Superior Court 857-134, and a settlement of $17,500 was agreed to by the Commission.

There being no further business, the meeting adjourned at 12:50 p.m.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF THE REGULAR MEETING
WEDNESDAY, SEPTEMBER 23, 1987

M I N U T E S

The Port Commission met in regular session in Suite 3100 Ferry Building on Wednesday, September 23, 1987 at 10 o'clock a.m.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
James R. Herman, Member
William H. C. Chang, Member

ABSENT: Anne Halsted, Member

Also present were Ronald Stone, Captain Arthur Osborne, Jack Conrad, Angela Karikas, Vello Kiisk, Randy Rossi.

APPROVAL OF MINUTES

Commissioner Chang asked that the minutes of the meeting of September 9, 1987 be corrected, as follows:

Page 3, para. 9 "Commissioner Chang also directed staff to accurately account for and report back to the Commission any additional in-kind contributions. Commissioner Chang also instructed staff to research the possibility of reimbursement from the net profit of those contributions."

Additional correction on Page 3, para. 5 - "new profit of $49,000" should read "net profit of $49,000".

ACTION: With those corrections, the minutes were approved by motion of Commissioner Herman, seconded by Commissioner Chang, carried.

EXECUTIVE DIRECTOR'S REPORT

Mr. Stone reported that Mr. Gartland was in New York working on issues to finalize the matter of the Todd Shipyards Lease, and would also be in Washington, D.C. working on customs matters.

FINANCE & ADMINISTRATION

Mr. Conrad presented the Status of Accounts Receivable report for information purposes.

The next item was a request for approval of a bid package for an option to lease real property for construction and operation of an athletic club with an interim lease for use as a parking lot.

Mr. Conrad explained that the form of the bid package was developed within the format discussed by the Commission at the September 9, meeting. It was explained that certain developments regarding the bid package indicate the possible need to hold a pre-bid conference to solicit comments from any interested parties.

Dr. Coleman called for an executive session, pursuant to Government Section 54956.9(c) for further discussion.

Mr. Hertz, an attorney, asked to address the Commission prior to the executive session. He expressed dissatisfaction with the process of the bidding and called for a pre-bid conference to which all interested persons could be involved.

Commission withdrew to executive session following Mr. Hertz statement. At the conclusion of the executive session, the Deputy City Attorney announced no action was taken by the Commission.

Commission asked for staff's recommendation which was to hold a pre-bid conference to solicit comments. Commission asked for public comment, and heard testimony again from Frederick Hertz, and Western Athletic Club who support a pre-bid conference.

ACTION: Moved by Commissioner Herman, seconded by Commissioner Chang, carried.

In deference to Redevelopment Agency, the Commission elected to consider Item 6a - closure of Beale and First Streets as proposed by Redevelopment Agency in conjunction with its South Beach project. Mr. Stone explained the Port's concern lies with truck access for our major ship repair tenants, as well as parking availability for the industry's workforce. Mr. Stone indicated Port's support of these street closures is conditioned upon four provisions which he enumerated. Discussion followed regarding the legality of prohibiting preferential parking for residents. The outcome of the discussion being a joint position of the Redevelopment Agency and the Port in support of limiting subsequent creation of a residential parking permit/preference district until it is specifically determined this limitation is no longer necessary.

ACTION: Moved by Commissioner Herman, seconded by Commissioner Chang, carried.

Commission returned to the ordered agenda and considered licenses for State Department of Corrections, and for a transfer of license from Tropicana Hotels to Mr. Dan London and James McGowan, and these were approved.

The next item was an approval of a lease with Roger Associates for space in the Agriculture Building which will be utilized as office space for an initial period of three years.

ACTION: Moved by Commissioner Rudden, seconded by Commissioner Chang, carried.

PLANNING & RESEARCH

Mr. Philip Kern, project manager, presented a request to the Commission to issue a Request for Qualifications and Proposals for design activities for the fishing facilities project. The Commission inquired about the make-up of the evaluation team, and was informed that there would be two representatives from the Port's Engineering staff, the Wharfinger, two from fish-handlers organizations, two from fishermen's groups, and the project manager. The panel will be announced at the pre-proposal conference at the end of the week. Commissioner Chang took exception to the "rubber-stamp" quality of the form of process, stating his opinion that in essence through this form, responsibility for selection was no longer the Commission's but becomes the panel's. The Commission chose to participate more in the selection process and therefore after a shortlist has been published, and prior to final selection, the firms with the highest scores will make presentations before the Commission. In this way, the Commission's comments, as well as the public's comments, will be incorporated into the decision-making process.

At the conclusion of this discussion, the Commission took the following action.

ACTION: Moved by Commissioner Chang, seconded by Commissioner Herman, carried. to authorize the RFQ and RFP subject to the changes as noted.

ENGINEERING & MAINTENANCE

Captain Osborne reported dredging is proceeding well, and by the end of the week both the A area and portions of the C area off 96 should be completed.

NEW BUSINESS

Commissioner Herman requested the matter of the Franciscan Restaurant crabstand be calendared for review by the Commission at its next meeting due to Commissioner Herman having some misgivings concerning the size and location of the additional structure. Mr. Conrad offered to have the architect for Franciscan meet with the Commissioner and walk the site; Commissioner Herman agreed and indicated that should the matter be resolved beforehand, he would notify staff accordingly. Staff was advised that no building permits should be issued for this addition until the matter is resolved.

There being no further business, the meeting adjourned at 11:40 A.M.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF THE REGULAR MEETING
WEDNESDAY, OCTOBER 14, 1987

M I N U T E S

Port Commission met in regular session in Suite 3100 Ferry Building on Wednesday, October 14, 1987 at 10 o'clock a.m.

PRESENT: Dr. Arthur H. Coleman, President
James J. Rudden, Vice President
Anne Halsted, Member
William H. C. Chang, Member

ABSENT: James R. Herman, Member

Also present were Ronald Stone, Captain Arthur Osborne, Jack Conrad, Angela Karikas, Vello Kiisk, Dorothy Schimke, Randy Rossi.

APPROVAL OF MINUTES

Minutes of the meeting of September 23, 1987 were approved by motion of Commissioner Chang, seconded by Commissioner Halsted, carried.

EXECUTIVE DIRECTOR'S REPORT

Mr. Stone reported that the Executive Director was attending the 20th Anniversary Year of the Port of Osaka in Japan, and also reminded the Commission the Port of San Francisco will be celebrating its 125th year in 1988.

President Coleman announced that Item 6a under Maritime - the issue of terminating the lease agreement with Todd Shipyards would be deferred until the next meeting pending final resolution.

FINANCE & ADMINISTRATION

Mr. Conrad submitted four financial reports to the Commission and asked for action on the refunds and allowances in the amount of $164,708.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Chang, carried.

A brief discussion followed on the revenue and expenditures report.

Commission was next asked to approve non-civil service and temporary appointments and removals for the month of September 1987.

ACTION: Moved by Commissioner Chang, seconded by Commission Rudden, carried.

Mr. Conrad next asked approval for two licenses - one located at Pier 35 for office space for Aereo Cruise Quarters, the other for employeee parking for Southwest Marine at Pier 24 annex. Commission moved approval.

4(d) - Bid package for the option to lease real property at SWL 321

Pursuant to Commission direction, a pre-bid conference was held on October 5, 1987 to receive comments from interested parties on the abovecaptioned matter. The only substantive change, Mr. Conrad said, was to make the option payment of $100,000 non-refundable rather than refundable, as originally planned.

President Coleman asked for public comment; Mr. Frederick Hertz, attorney representing the Sports Connection, alleged prejudicial handling of the bid process by staff and requested the Port give his client "fair consideration" in order to remedy the alleged inequities.

Commission questioned Mr. Conrad to determine if it was not his usual practice to meet with all interested parties, whether or not a lease were to be bid or negotiated. Mr. Conrad responded that this was his customary practice, and assured the Commission that any interested party would receive equal consideration.

It was determined that this matter should appropriately be discussed in executive session authorized under Government Code Section 54956.9 (b).

At the conclusion of the executive session, staff recommended the following modifications: a 45 day turn-around; $150,000 non-refundable option bid;one minimum price for both the interim and long term lease. Mr. Conrad stated that bid packages would be available on October 21,with a conference for possible clarification if necessary the following week, and response time to be 45 days from the date of October 21.

There being no further comment, the president asked for the Commission's decision.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Chang, carried.

4(e) Mr. Conrad requested Commission approval to submit a supplemental appropriation to correct a budgetary deficiency which was a result of a transposition of Civil Service classifications, as well as a coincidental clerical error. The supplemental appropriation is in the amount of $2,588.

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Chang, carried.

7. ENGINEERING & MAINTENANCE

Mr.Kiisk briefly explained the need to correct crab pot drainage at certain Fisherman's Wharf restaurants and informed the Commission about Contract 2544 with Stacey & Witbeck/WestBay Inc. who are proceeding with the work of putting in a main lateral sewer. Mr. Kiisk acknowledged Mr. Wimpress' (Asst. Property Manager)efforts in getting the five restaurants, Cresci, Borusso, Fisherman's Grotto #9, Alioto's, and Sabella's, to pay their portion - $15,489 - of the contract cost of $67,375. This amount is the cost of the laterals to the crab pots. The Commission was concerned about the timing of this work and it was explained that this was determined to be the best time to schedule the work. Proper notification is being given to make people aware of any inconvenience due to this work.

As a matter of information, Mr. James Haas requested permission to address the Commission concerning a matter of a downtown commuter service proposed by CalTrain which would extend along The Embarcadero, and which could have a devastating effect on the wharf area around South Beach. Mr. Haas apprised the Commission of an October 27 public hearing of testimony preparatory to an environmental impact statement, and urged the Port's participation in order to make the tri-county Joint Powers Authority aware of the Port's concerns and needs with this proposal.

Dr. Rossi thanked Mr. Haas for his report and assured the Commission that he would attend on October 27 and report to them on this hearing. Further discussion followed regarding jurisdictional authority, and ramifications of the Burton Act/Transfer Agreement regarding State's use of this land.

EXECUTIVE SESSION

Commission withdrew to executive session for discussion of Linder & Jones v. CCSF. Superior Court No. 836-156, and resolution of a Port claim against Lykes Bros. Steamship Company. At is conclusion, it was announced that no action was taken in the matter of Linder & Jones, and the Commission approved settlement of one of the claims against Lykes.

NEW BUSINESS

Mr. Kenneth Geiser, representing Slip Owners' Association of Pier 39, stated his organization was formed because of concern for unfulfilled written and implied commitments by the Pier 39 operation. Mr. Geiser spoke in opposition to a proposed aquarium at Pier 39 because of already overtaxed parking facilities and the traffic congestion in the area. Mr. Geiser asked that the record show that his organization is officially opposed to any development at Pier 39 which does not bring with it parking and traffic solutions as part of the proposal.

Mr. Christopher Martin addressed the Commission on a matter of securing temporary crab pot storage. Commission withdrew to executive session for discussion of this matter as authorized under Govt.Code Sec. 4 6.9(a).

Dr. Coleman referred the matter to staff for investigation, directing that whatever assistance necessary be provided to ameliorate the situation.

There being no further business, the meeting adjourned at 12:05 P.M.

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SAN FRANCISCO PORT COMMISSION
MINUTES OF THE REGULAR MEETING
WEDNESDAY, OCTOBER 28, 1987

M I N U T E S

The Port Commission met in regular session in Suite 3100 Ferry Building on Wednesday, October 28, 1987 at 10 o'clock a.m.

PRESENT: Dr. Arthur H.Coleman, President
James J. Rudden, Vice President
James R. Herman, Member
Anne Halsted, Member
William H. C. Chang, Member

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ABSENT: None

Also present were Eugene L. Gartland, Jack Conrad, Angela Karikas, Randy Rossi, Cliff Jarrard, Dorothy Schimke, and Roger Peters.

APPROVAL OF MINUTES

ACTION: Moved by Commissioner Halsted, seconded by Commissioner Chang, carried.

President Coleman announced a departure from the agenda in order to allow Brigadier General George Baxter to present an award of distinguished service to the executive director for his tremendous effort in putting over "Army Days 1987" and making it the success it was. General Baxter acknowledged Mr. Gartland's cooperation and support. Mr. Gartland accepted the award and insisted he would have to share it with Mr. Conrad who worked as hard for the success of the Sixth Army event as he had.

Mr. Gartland next reported on his trip to Osaka for its 120th anniversary which was very successful and stated that he had extended an invitation to Port of Osaka officials to visit the Port of San Francisco next year on our 125th anniversary.

Mr. Gartland next reported the impending transfer of Todd Shipyards property to the Port which is a result of Todd's decision to remove its business from the Bay area and concentrate instead on its ship repair interests in the Northwest. Mr. Gartland asked that Item 6b - Approval of termination of lease and settlement of agreement with Todd Shipyards - be considered at this time on the agenda.

Mr. Gartland recounted the details of the sale of the Bethlehem Shipyard to Todd Shipyards in 1983 by which Todd acquired the personal property at 20th & Illinois and the Port (through a right-of-first refusal) acquired the real property. Todd paid Bethlehem $14 million; Port paid $1 for real property, valued at about $30 million. Todd then entered into a lease with the Port , paying the Port approximately $2 million annually, as well as making capital improvements for the first five years. Todd has now filed for bankruptcy under Chapter 11 after the Port negotiated a deal with Todd that in forgiveness for the $9 million in capital improvements Todd would transfer to the Port all of the restricted property, consisting of the drydocks, and two cranes. This has necessitated the Port's initiating

new discussions with Todd, out of which came a new agreement by which Todd would receive $2.6 million for the personal property. The Port will then lease a portion of the property and the drydocks to Southwest Marine. Signed documents were expected momentarily from Todd's New York headquarters. One other issue remaining is a joint inspection of the premises to determine there is no hazardous waste material at the site.

Mr. Gartland stated that as long as this City wants to have ship repair it's got its own facility, with total control over its real estate, as well as total control over all the valuable assets. Mr. Gartland said that the replacement value of the newer drydock is somewhere in the $70 million range.

Mr. Gartland inquired on what action the Port Commission could take at this meeting to expedite the matter; and it was determined that no formal action could be taken until the signed documents were in hand.

The Commission returned to the regular agenda for review and consideration of four financial reports. Mr. Conrad asked Commission action on the refunds and allowances in the amount of $164, 780 and this was so approved.

Commission next approved four routine licenses for space at Pier 5, 30 and SWL 348. Discussion followed on possible solutions for the growing parking problems along the waterfront generated by the increased ship repair work, as well as new residential development. One suggestion was the use of the seawall lot opposite Pier 30/32 as a parking facility. Commissioner Halsted suggested initiation of a feasibility study. Commissioner Herman expressed his concern that the Port not lock itself into a situation which could prohibit more desirable utilization of the property. Dr. Rossi opined that the Port would have to make it very clear that this was transitional use.

4(c) - Approval to allow Pier 39, Inc. to install an aquarium.

Item 4c was deferred for a time indefinite. Dr. Rossi submitted a list of steps in the approval process for the aquarium proposal which the Commission had requested so that they would be informed as to what the next steps are. He then reviewed the document briefly with the Commission. Discussion followed concerning certain of these steps. Namely, the EIR (environmental impact report) of which the Commission questioned the propriety. Explanation was offered regarding the Port Commission's role in the process.

President Coleman asked for the Commission's action.

> ACTION: Moved by Commissioner Herman to postpone consideration indefinitely, seconded by Commissioner Halsted.

President Coleman asked for public comment before Commission action.

A representative from Pier 39 Marina Slip Owners' Association protested any action being taken on the matter.

Dr. Coleman replied that he wished to make it clear no action was being taken other than to postpone consideration of the matter in order to allow Pier 39 to pursue it.

ACTION: The motion to postpose to a time indefinite was carried.

4(d) Commission next considered and approved an amendment with Powell-River Alberni lease to provide access to Pier 15 by the Port prior to termination of Powell-River Alberni Sales lease 8733 for this space.

ACTION: Moved by Commissioner Herman, seconded by Commissioner Halsted, carried.

4(e) The Commission was asked to review the tenancy by Alexis Tellis at 494 Jefferson Street for matters of establishing certain rights to occupy by this tenant. President Coleman asked that Mr. Tellis address the Commission in this issue. There was no response to this request The public was next invited to testify in this matter. Mr. Jerry Spolter, attorney for Mr. Maskell, the other tenant at this location, indicated he was there to respond to any questions which the Commission might have in regard to his client's request to occupy the additional space.

Deputy City Attorney Clay requested the Commission convene to executive session under the appropriate California government code section. Prior to withdrawing Mr. Spolter inquired if notice had been given to Mr. Tellis of this matter, and it was established that appropriate notification had been given to him.

Commission reconvened to regular session, and it was the decision to approve a resolution to terminate the tenancy of Mr. Alexis Tellis at the premises of 494 Jefferson Street.

ACTION: Moved by Commissioner Rudden, seconded by Commissioner Halsted, carried.

Mr. Gartland asked to interrupt to announce the arrival of the signed proposed settlement between the City and County of San Francisco and Todd Shipyards and asked the Commission to approve the resolution submitted to them.

Ms. Karikas: I would like to point out as stated in the resolution which has been submitted to you, there is a statement that your approval is conditioned upon receipt of a letter of credit from Southwest Marine for the $1.3 million which will be paid to Todd when the entire deal is consummated. The other point I would like to make is that the settlement of the tax claims in this agreement all refer to tax claims having to do with possessory interest on the leasehold interest of the Todd property as well as assessment on personal property as well.

Dr. Coleman: Can I get a motion to approve?

Comm.Rudden: So moved.

Comm.Chang: Seconded.

Dr. Coleman: It has been moved, seconded, carried.

Mr. Gartland: I have signed, Dr. Coleman. Angela, will you get this to the Board of Superivsors.

Dr. Coleman: Have your signature notarized as of 11:18 a.m. Today we have the honor of having the distinguished Senator Milton Marks in our presence. Sen. Marks is the Chairperson of the Maritime Committee who has asked to address the Commission under the New Business category.

Senator Marks: Thank you very much for the opportunity to speak to you this morning about a matter which concerns me as a Chairperson of the Senate Maritime Committee and as the senator representing San Francisco and the district in which you are presently sitting. I want to heartily commend your commitment to develop Shed A and reserve Shed D for future development. As you know, I have a long standing record of involvement in support of our waterfront and a deep concern for its success.

I am here because I would like to bring my concerns to your attention - and urge you to become more directly involved in what is occurring in terms of redevelopment along the Northern Waterfront. I know this matter has not formally been brought before you - that is why I am speaking under the New Business portion of your agenda. I appreciate the opportunity of talking to you.

Our port has fewer opportunities to generate revenues than a number of ports do. We do not retain possessory interest taxes, or operate convention centers, or non-maritime facilities as do some other ports. We rely exclusively on maritime operations and real estate lease revenues for your income. I must say that you and your staff are doing an excellent job considering the financing constraints. The tax increment district as originally proposed is a very promising way to generate a much-needed

additional funds. One of the greatest virtues about tax increment financing is that in the process of a port potentially receiving considerably more revenue, nobody pays higher taxes than they would otherwise pay because the revenue derived from new development in the area stays in the area. The Mayor is to be commended for her creative proposal and for her willingness to forego this money for the General Fund in recognition of the paramount importance of fishing to our City. Tax increment financing has been used with considerable succes in our City, making possible the Golden Gateway, Diamond Heights, and a revitalized Western Addition. However in comparison with other California cities, San Francisco is almost unique in how little it has used tax increment financing for revitalization.Primarily San Francisco has effected redevelopment through lease revenue and land sales. Unfortunately there is little opportunity for land sales to be an effective tool along the Northern Waterfront. I believe that in the interest of maximizing potential revenue for our Port,..... it is essential that Piers 33 and 35 be included in the initial survey area. If they are not, flexibility in the planning process, the unique opportunity for an improved appearance and a long-range solution to accommodate fishing needs, even the traffic and congestion problems that not exist, would forever be lost. Let me suggest that you open up to a public process the determination of what will be the best revenue generating development, the maximum community acceptance, public benefit to the Port and the City on Pier 35. Your commitments to the sheds that we are talking about recognize that the paramount interest is revitalizing our fishing industry andyou have made very substantial commitments that will realize $10million. There will be other improvements needed in the future. Tax increment financing is one of the best ways to generate needed future revenues. However without Piers 33 and 35 in the Survey Area, and a revenue generating development on 35, the tax increment concept cannot succeed. Tax increment financing has been immensely successful elsewhere in San Francisco and throughout our State providing public improvements and stimulating greater private investment. I respectfully urge your full participation in the survey process so that we may have the most comprehensive, long term planning to realize a public/private relationship for development as is in the best interest of the Port, residential and merchant community. I thank you.

Dr. Coleman: Asked for questions from the Port.

Commissioner Chang: I have some questions - How are you Senator Marks? I was just wondering if you or your office have had the chance or opportunity of looking into some of the issues that has come into my mind. And you are absolutely correct, this Commission has not had the opportunity to address this particular issue. The potential conflict of possibly the Burton Act - which may have on the Redevelopment Act? Have you had a chance to possibly look into the State Redevelopment Act (I am not an attorney) but I understand that it is a general act that covers certain redevelopment projects.

Senator Marks: You are talking about how the Redevelopment Act could affect the Port?

Chang: Yes, the effect of the Redevelopment Act and the Burton Act.

Chang: It is just a question in my mind - I was just wondering if you or your office had had a chance. The Redevelopment Act versus the Burton Act - if there is a conflict. The impact that those two acts would have.

Marks: I have not had the chance - I voted for it, rightly or wrongly, I think rightly. I voted for the act which turned over the port to San Francisco and I'm glad to do so. I have not had the opportunity to look at all of the provisions of that act but generally I know what they do. I don't know exactly what you are talking about but I will be glad to look into it.

Chang: I think I would be happy to have the opportunity to look into that issue, too.

Marks: I think I should.

Chang: Also if there is a precedent whether there has been a case where land that was governed by the State Lands Commission have been put into redevelopment district without .....In our case, the Port of San Francisco or the San Francisco Commission not having had the opportunity to hear this particular matter.

Marks: I'll look into that too. I realize you do not want me to give an opinion as an attorney without looking at the law - and I haven't.

Marks: I appreciate the opportunity of having been before you and I commend all your efforts.

Continuing public testimony under the New Business category, the following persons spoke in opposition to excluding Piers 33 and 35 from the redevelopment study area:

Mr. Patrick Flanagan, Fisherman's Wharf Merchants Association
Mr. Joseph Alioto, President, Port Tenants' Association
Mr. Michael LaRocca, Wholesale Seafood Business, Pier 45
Mr. Peter Brown, Anchorage Shopping Center
Ms. Denise Hinkle, Telegraph Hill Neighborhood Association
Mr. Al Baccari, Fisherman's Wharf Association

In opposition to the previous speakers, Mr. Robert McCarthy addressed the issue of retaining Piers 33 and 35 in the study area and the devastating effect such an action could have on Pier 39's newest proposed addition, an aquarium.

Commissioner Herman questioned the propriety of hearing this testimony since the aquarium item had been postponed and was not properly under consideration by the Commission. Commissioner Herman inquired if the speaker was suggesting the Commission should simply issue a blank check to any developer who makes a proposition which will net "x" amount of revenue to the City, irregardless of any valid points of concern held by the Commission.

McCarthy: Commissioner Herman,in all deference, I didn't invite Senator Marks to address the Commission. If I may continue for a moment, the question of the aquarium is inextricably bound up in the question of the inclusion of Piers 33, 35 and 39.

Herman: You haven't explained that to us.

McCarthy: Mr. Herman, if we are going to be included in a redevelopment area I believe I stated it earlier,no. 1, it seriously jeopardizes our financing, no. 2 our equity partners will seriously consider other alternatives.

Herman: Does this Commission have other proposals before it to which it is expected to respond to the issue of 35? Then this is just an informal conversation.

Coleman : Under the rules, any member of the public can make a statement on any subject and that person is entitled to that privilege.

Herman: Irrespective to the time.

McCarthy: I would like to answer Comm. Herman's question, nonetheless. He asked me if I am asking him to blind himself to the question of the formalscrutinization that is required before a project goes forward because you may lose revenue. I want to remind Comm. Herman that in my remarks I specifically said, we are prepared to and will in fact undergo three major public hearings in this process. We will go through a full environmental review, a 303 planning hearing where we will have the burden, and finally we will be back before you to convince you that you should amend our lease - that it is in the Port's interest and the public as well as our interest. Absolutely not, I am not asking you to blind yourself.

Herman: So what it is you would ask this Commission to do right now?

McCarthy: I would hope that this Commission would not urge the Mayor to include Piers 33, 35, and 39 in the redevelopment study area which was the testimony of Senator Mark and which triggered my response.

Coleman: Commissioner Halsted, would you like to say something?

Halsted: Yes, what your response has triggered me to suggest that in the future we limit public testimony to no longer than 5 minutes. But let me say, that in addition this is under new business, there is nothing before us. We know that if it does come back before us, you will be here to inform us again, and I would like to suggest that we move on.

McCarthy: I just want to say one more thing - please, just 30 seconds. You are going to hear from Christopher Martin about his concerns about parking and I just want to say that he has120,000 s.f. retail facility without 1 piece of parking in it. He is next week opening a night club and hasn't provided any new parking. I think it goes to the credibility of his testimony. I just want you to bear that in mind when you listen to his plaintive cry about parking.

Mr. Chris Martin, representing the Cannery addressed the Commission on the matter of including Piers 33 and 35 in the redevelopment study area and urged the Commission to support this position.

MARITIME

Mr. Gartland next asked that the Commission defer Item 6a until such time as staff is able to come back with a full agreement with California Stevedore & Ballast for consideration.

It was so moved, seconded and to carried to defer this matter.

PLANNING & RESEARCH

Mr. Gartland requested the Commission consider and approve a modification in the amount of $18,000 to the contract with Dr. Randall S. Rossi to enable payment to subconsultants and for fees relating to environmental, planning and permitting services.

ACTION: Moved, seconded, carried.

Dr. Rossi then presented a brief informational report detailing the present state of progress of the Pier 7 public fishing pier project. The report outlined specific responsible agencies, and departments and target dates for implementation and completion.

Commissioner Halsted urged staff to move ahead expeditiously on this project, in order,"to deliver some project done". Commissioner Halsted questioned if the Commission was in agreement to go forward quickly on this project, and was assured that there was agreement on this matter.

President Coleman asked for a motion to adjourn having concluded the agenda for the day. It was moved, seconded, carried. Meeting adjourned at 12:20 P.M.

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SAN FRANCISCO PORT COMMISSION

MINUTES OF THE REGULAR MEETING

WEDNESDAY, DECEMBER 2, 1987

The Port Commission meeting was called to order by President Coleman at 2:17 P.M. on Wednesday, December 2, 1987.

PRESENT: Dr. Arthur H. Coleman President
James J. Rudden, Vice President

ABSENT: Anne Halsted, Member
James R. Herman, Member
William Chang, Member

Since only two members were present, Dr. Coleman stated there was no quorum and declared the meeting cancelled.

The time of the announcement 2:18 P.M.

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Submitted by Port Commission Secretary.